

PEOPLE

Moscow Real Estate

Solzhenitsyn's Stomach

Finding the right house in Moscow is all that easy, the Solzhenitsyns are discovering.

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Moscow Offers U.S. a Uranium-for-Cash Deal

By William J. Broad

NEW YORK — Desperate for hard currency, Russia is offering to sell the United States tons of uranium from retired nuclear arms, saying the concentrated material could be diluted into fuel for civilian reactors that make electricity.

Any East-West deal that turned nuclear weapons into plowshares would be a milestone in dismantling the Cold War machinery. For the Russians, the main alternative is to store highly enriched uranium in underground bunkers. Some Western experts say they fear that material put in storage might eventually find its way back into bombs.

Victor N. Mikhailov, the head of Russia's Ministry of Atomic Energy, discussed the potential sale of Russian uranium in Washington Tuesday with top officials of the Energy Department, which oversees U.S. production of nuclear arms and civilian reactor fuel.

"The Russians are very serious," said Thomas B. Cochran, a senior scientist with the Natural Resources Defense Council who has discussed the proposed sale with Mr. Mikhailov. "But there's a lot of hurdles that have to be overcome, so he's over here to cement the deal."

The Russians have also reportedly talked to France and Japan about possible sales of uranium derived from warheads. There is no indication that the Rus-

sians have tried to sell highly enriched uranium to any other countries. Mr. Mikhailov and his aides have lined up several American companies eager to dilute highly enriched Russian uranium from warheads and to sell it as reactor fuel. He lobbied for the plan with federal officials, who must approve any deal.

Among the major questions are whether Russian bomb-grade uranium can be shipped overseas without theft or accident and whether it can be sold without sending the world uranium market into a tailspin.

The Russians have already sold large amounts of natural and mildly enriched uranium in Western commercial markets, feeding a price decline that has driven some uranium producers out of business and threatened the uranium enrichment business of the Energy Department, the world's largest supplier of commercial reactor fuel.

Private experts say that, despite the potential problems, the federal government might eventually approve the sale since revenues could help Moscow dismantle its nuclear arsenal and aid the ailing Russian economy.

Several American companies are clearly eager to make agreements, including Allied-Signal Inc., an aerospace and chemicals giant based in Morristown, New Jersey, that recently signed a preliminary agreement with the Russians.

"We hope to start the processing work next year and

eventually to build a plant in Russia," said Michael J. Ascolese, a company spokesman. The United States has 110 operating nuclear reactors, all of which must be at least partly refueled with fresh uranium every 12 to 18 months.

The retirement of thousands of warheads from the arsenals of East and West, as called for by recent accords, will free hundreds of tons of plutonium 239 and uranium 235, the two main fuels of nuclear warheads. So far, few decisions have been made about the final disposition of this material. The main options are to store it, to recycle it into new arms or to transform it into reactor fuel.

For a host of technical and political reasons, such conversion is more difficult for plutonium than uranium. By and large, the plutonium is slated to be stored. Natural uranium ore is made up of a mix of isotopes. Only 0.71 percent of it is uranium 235, the fissionable isotope used in bombs and reactors. Uranium for most American nuclear reactors is enriched to a level of about 3 percent U-235, while fuel for bombs has more than 90 percent U-235. The plan now under discussion is to reverse that enrichment process.

Some private experts doubt that a successful deal will come to pass, given the safety and security hurdles as well as the conflicting interests of the Energy Department, which is concerned with the health of its own large uranium operations.

Russia Seeks To Expand Its Naval Role in Southeast Asia

By Michael Richardson

MANILA — Russia, seeking to establish a naval presence in Southeast Asia, said Wednesday that it had opened negotiations with Vietnam on an agreement for access to the former U.S. base at Cam Ranh Bay, which was taken over by the Soviet Union after the Vietnam War.

Andrei V. Kozirev, the Russian foreign minister, insisted in an interview that the Russian Navy would help maintain regional stability, not serve as an agent for confrontation.

Some Asian officials indicated Wednesday that a Russian naval presence in Vietnam might be welcomed as a potential counterweight to Chinese power, especially with U.S. forces in the Western Pacific being phased down.

The Cam Ranh base, on the central coast of Vietnam facing the South China Sea, was a key U.S. installation in the Vietnam War. It later became the Soviet Navy's center of operations in the region and a key replenishment point for warships of the Soviet Pacific fleet going to and from the Indian Ocean and the Gulf.

As an ally of the former Soviet Union, Vietnam granted Soviet naval and air force units extensive access to Cam Ranh Bay to counter U.S. and Chinese military power in the region. But as Soviet power waned, the forces were withdrawn from Vietnam.

Mr. Kozirev said that in a meeting with Nguyen Manh Cam, the Vietnamese foreign minister, the two sides had reached "a clear understanding" that Russian warships operating from Cam Ranh Bay would not "confront" U.S. or other naval forces in the area.

Russian ships, he added, would be in the region as "another element of stability." Mr. Kozirev and the Vietnamese minister were attending a meeting of foreign ministers of the Association of South East Asian Nations that ended Wednesday.

ASEAN consists of six non-Communist states: Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei. Mr. Kozirev held talks Wednesday with the ASEAN ministers and with Qian Qichen, the Chinese foreign minister.

In the meeting with ASEAN, Mr. Kozirev noted that next Sunday the Russian Navy would again start sailing under the old Russian flag. He said that the flag "symbolizes the sincerity of Russia's intentions at sea and its aspiration that its navy should not be a threat but rather a solid defender of peace."

Russia, he added, did not regard any

U.S. Weighing Military Options Against Saddam

UN Inspectors Are Forced To Pull Back in Baghdad

By Patrick E. Tyler

WASHINGTON — Senior Bush administration officials are divided over whether to carry out a military strike against Iraq and, if so, how to do it effectively, officials said Wednesday.

The United Nations capitulated Wednesday in its confrontation with Iraq and withdrew the weapons inspectors who have been on a vigil outside the Agriculture Ministry since July 5, trying to search the building for suspected documents on missile systems.

The decision to withdraw the inspectors was made for safety, UN officials said, after demonstrations against their presence grew increasingly large and violent.

In a statement issued here and in New York, Mark Silver, the head of the team, said its members had been withdrawn in the morning because of "the threat of violence and totally inadequate Iraqi security protection."

He said the inspectors had been there because of "well-founded information" that prohibited material was being concealed inside the ministry.

But the inspectors had been subjected to "increasing harassment and intimidation," he said, including threats to their lives, stone-throwing and acts of vandalism.

The White House spokesman, Martin Fitzwater, said that Iraq "must be held accountable for its defiance of the UN resolutions and for the safety of all UN personnel in Iraq, as well as other international personnel providing assistance to the Iraqi people."

"We are not ruling out any option, including the use of military force," he said.

Privately, he fears that the Iraqi president, Saddam Hussein, could emerge from any military action unfazed politically and emboldened in his defiance of Washington.

The necessary solution would have to meet a specific military objective and also be perceived as having changed Mr. Hussein's behavior and improved his compliance with the cease-fire resolution that ended the Gulf War 17 months ago.

Defense Secretary Dick Cheney was said by officials to have joined General Colin L. Powell, chairman of the Joint Chiefs of Staff, in

closely questioning the use of military force at this time. But a clear consensus has yet to emerge and it seemed certain that with Secretary of State James A. Baker 3d traveling in the Middle East, Mr. Bush had not gathered the small group of top aides to review his final array of options, as well as his pattern during the Gulf War.

A high-level White House meeting of administration aides was canceled Tuesday as additional position papers circulated raising new questions about the use of force, officials said.

Mr. Baker was scheduled to meet with King Fahd of Saudi Arabia on Wednesday.

International inspectors found evidence that U.S. firms aided Iraq's nuclear-arms program. Page 2.

Thursday to discuss anti-Iraq planning as well as the Middle East peace process.

Saudi officials appeared confident that Mr. Hussein had miscalculated both Mr. Bush's political situation at home and the strength of the international resolve to force Iraq's compliance with the terms that ended the fighting.

The Saudis have granted permission for United States and allied air forces to use Saudi bases to launch any UN-sanctioned mission against Iraq, U.S. officials said.

At the Pentagon, however, one paper drafted this week by Carl W. Ford Jr., the principal deputy assistant secretary for international security affairs, outlined what one official described as a convincing case that military action was fraught with risks if it was not properly focused, proportional and effective.

One official signaled the acute White House concern over the prospect of military impotence by saying, "There is no political motivation to talking about military action. If anything, the pull is the other way."

Administration officials said the longstanding conventional wisdom that a well-timed military strike against Iraq might reclaim for Mr. Bush some of the political luster he garnered from the Desert Storm war has now been eroded by the fear of taking action that would not produce results.

Still, Mr. Bush has projected an aura of studied determination this

See IRAQ, Page 2



CIVIL DISOBEDIENCE IN JOHANNESBURG — A demonstrator being taken into custody by a woman police officer during a protest Wednesday, one of a nationwide series backed by the African National Congress to bring an early end to white rule in South Africa. Page 2.

Kohl's Foes Find Themselves Unable to Curb New Deployment

By Marc Fisher

BERLIN — Germany's main opposition party, outraged by Chancellor Helmut Kohl's dispatch of a destroyer to join the international patrol along the Yugoslav coast, failed Wednesday to place strict limits on the nation's military role, but pledged to keep trying.

The opposition Social Democrats forced a rare special session of parliament, requiring 660 legislators to be summoned from vacations around the world, but the meeting ended with a clear endorsement of Mr. Kohl's move.

Undeterred, the Social Democrats promised to maintain pressure on the government and to ask

Germany's highest court to halt Bonn's participation in allied naval monitoring of the UN trade embargo against the rump Yugoslav state. Parliament rejected the opposition assertion that

UN chief criticizes proposal for monitoring heavy weapons in Bosnia-Herzegovina. Page 6.

the deployment of German forces outside NATO territory was unconstitutional. Rather, said Defense Minister Volker Rühle, Germany "has no right to take a course different from our allies' ships."

He added that the point was "whether Germany is capable of showing solidarity" with its allies.

Mr. Rühle called on Germans to give up what he called the "culture of reservation" that developed during West Germany's postwar period of limited sovereignty.

"The Social Democratic parliamentary leader, Hans-Ulrich Koch, argued that the German military is a purely "defensive army and not an intervention army."

The opposition is willing to expand the country's military role, but only to include participation in UN peacekeeping forces, not in international coalitions such as that now in the Adriatic or that formed to attack Iraq last year.

The Social Democratic resolve to maintain a narrow military role even after reunification reflects a deep

national queasiness about expanding the use of force. The country until two years ago was still on international probation.

Mr. Kohl has frequently promised since the fall of the Berlin Wall that the new Germany will recognize its greater global responsibilities in part by expanding its military role — a change the United States and other Western allies have actively sought since Bonn's hesitant response to requests for help in the Gulf War.

The naval patrol in the Adriatic has sparked debate about both Germany's military future and the continued failure of diplomatic efforts to ease the Yugoslav crisis. Popular opposition to the idea that German

See BONN, Page 6

In Its Olympic Ad Race, Nike Trips Up

By Sandra Bailey

BARCELONA — A Spanish court on Wednesday rejected an appeal by Nike Inc., barring the U.S. company from cashing in on its multimillion-dollar Olympic investment by selling or advertising its sports apparel in Spain.

Only one question remained in the trademark dispute: Exactly what did the ruling mean? Speculation ranged from the possibility of police ordering track and field athletes clad in Nike apparel to change outfits at race time to a ban on Nike advertising in Spain. Rights for the name of the Greek goddess of victory were registered in 1922.

José Antonio Hernández, a lawyer for Juan Amigo Freixas, the attorney who now owns the Nike trademark in Spain, told the Associated Press in Madrid that the ruling could prohibit athletes from wearing the Nike label in the Olympics, which are to begin here Saturday.

Nike paid millions of dollars to put its name on U.S. and Algerian track and field teams in Barcelona. "I trust Nike will comply with the law," Mr. Hernández said. "If they don't comply, they'll have to pay the consequences."

But Mike Moran, chief spokesman for the U.S. Olympic Committee,

said he viewed the court ruling as pertaining to the "broader" issue of the sale and advertising of Nike apparel in Spain. "They have no jurisdiction over our athletes," Mr. Moran said of the Spanish court. "If they tried to interpret it that way, it would create one of the most controversial and chaotic moments in Olympic history."

Mr. Hernández indicated that he intended to seek enforcement of his view of the ruling. "We'll talk with the judges, we'll talk with the police, whoever," he said.

"My answer to that," Mr. Moran said, "is who's going to take the uniform off our athletes at the starting lines, and those of other nations?"

Nike may be the only company with a trademark conflict in Spain, but it is by no means the only company supplying teams with uniforms. Among U.S. athletes, for example, Mizuno supplies the volleyball team with clothing, Speedo outfits swimmers and divers, Russell is the baseball clothing and Decentia of America is the cycling team's choice. But when a U.S. athlete wins a medal, the clothing worn is a Reebok suit, Mr. Moran said, and he does not plan to issue any orders to change.



Nike's success

Kiosk

Medellin Chief Escapes, Police Say

BOGOTA (AP) — The leader of the Medellín cocaine ring, Pablo Escobar Gaviria, and his lieutenants overpowered officials seeking to transfer them to a military prison and apparently escaped Wednesday after a battle that left at least two dead, officials said.

The president of Colombia's Senate, José Blackburn, said after talking with President César Gaviria Trujillo that Mr. Escobar could not be found in a tunnel where he was believed to have holed up on Wednesday after an army raid on the prison near Medellín.

"The jail is now under absolute control of the army, but Escobar cannot be found," Mr. Blackburn said. On Tuesday, 400 soldiers arrived to transfer Mr. Escobar to a military jail. The suspects took three officials hostage, but commandos later freed them.

General News Anti-abortion activists tracked the Clinton-Gore bus. Page 3.

In New York, Juggling a Heroin Habit With Life at the Top

By Joseph B. Treaster

NEW YORK — He is an executive with a company in New York, lives in a condo on the Upper East Side of Manhattan, drives an expensive car, plays tennis in the Hamptons and vacations with his wife in Europe and the Caribbean.

But unknown to office colleagues, friends and most of his family, the man is also a longtime heroin user. He says he finds heroin relaxing and pleasurable and has seen no reason to stop using it until the woman he recently married insisted that he do so.

"The drug is an enhancement to my life," he said. "I see it as similar to a guy coming home and having a drink. Only alcohol has never done it for me."

Nearly everything about the 44-year-old executive, who spoke on the condition that he not be identified, seems to fly in the face of widely held perceptions about heroin users. But drug experts say

that many heroin addicts are able to juggle habitual use of what has long been thought of as the most debilitating and enslaving of drugs, managing jobs and families with few if any outward signs of addiction.

But they are flirting with disaster. The businessman, for example, collapsed after an overdose 11 years ago. He lost a job at least partly because of his involvement with drugs, and his marriage is in trouble.

Doctors say that while heroin does not damage the organs as, for instance, heavy alcohol use does, there are other dangers. Heroin users are always at risk of overdose and arrest, and those who inject the drug are especially susceptible to infections, as well as such diseases as hepatitis and AIDS.

Still, experts say, some heroin users are able to avoid the pitfalls for long periods of time. "There are enormous numbers of people in all

walks of life who have integrated heroin use with their lives," said Dr. Robert B. Millman, the director of drug and alcohol abuse programs at New York Hospital-Payne Whitney Psychiatric Clinic.

The executive, who used marijuana and LSD in college and once sold cocaine to friends and business associates, said he had been using heroin for 20 years. Three years ago, when he began to worry that the drug was threatening to control his life, he developed an alternating cycle in which he would use heroin for a week or two, then break off for three weeks and resume again.

For the last two months, the businessman said, he has managed to stay off altogether. But he is not sure he will be able to resist the allure for long or that he wants to.

"In my heart," he said, "I really don't feel there's anything wrong with using heroin. But there doesn't seem to be any way in the world I can persuade my

wife to grant me this space in our relationship. I don't want to lose her, so I'm making this effort. I wish I believed in the effort more."

Until recently, the issue of illegal drugs in the United States had been dominated by cocaine. But as cocaine use has declined, heroin, the country's most feared drug in the 1960s and '70s, has been making a comeback. Production has increased in Asia and Latin America, and the drug is becoming increasingly available on the streets in the United States.

Dr. Millman said many people found that they could experiment with heroin or even use it regularly on weekends or on special occasions without developing a compulsion to take it more frequently and in greater amounts.

Dr. Arnold M. Washon, who operates a private outpatient drug clinic on Park Avenue in midtown

See HEROIN, Page 2



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CAMPAIGN '92 / A REPUBLICAN REJOINDER

ELECTION NOTES

Quayle Won't Be Dropped, White House Says

WASHINGTON — Martin Fitzwater, the White House spokesman, spoke out strongly Wednesday to deny rumors that President George Bush would drop Vice President Dan Quayle from the Republican ticket.

"No," he said in reply to a question. "The vice president is on the ticket. He's doing an excellent job."

Mr. Bush, asked at a cabinet meeting whether Mr. Quayle's status was uncertain, said, "No, it's very certain."

A recent Washington Post-ABC News survey showed that a majority of voters would approve if Mr. Bush decided to drop Mr. Quayle. The poll found that 63 percent of the respondents had an unfavorable impression of the vice president, a rise from 54 percent in June.

Results from the latest national polls, meanwhile, showed that Governor Bill Clinton, the Democratic nominee, had gained support in all regions and most population groups after the Democratic convention and the withdrawal of Ross Perot from the race. A CNN-USA Today poll showed Mr. Clinton at 54 percent and Mr. Bush at 34 percent. (AP, Reuters)

Eager to Please, Bush Gets Facts Wrong

PHILADELPHIA — President George Bush proclaimed that a plan to provide school-choice grants to low- and middle-income families involved "no means testing."

But Bush aides later acknowledged that the program would benefit only those families earning less than \$40,000 a year. The president made no mention of such a ceiling or other limitations as he touted the plan in the gymnasium of a Catholic high school.

In mischaracterizing the scope of his school-choice program, which would permit parents for the first time to apply for \$1,000 federal vouchers for tuition at private and parochial schools, Mr. Bush appeared to be overzealous in his pitch to Catholic voters here.

Assuring an anxious mother of eight that no families would be excluded from the program, Mr. Bush declared: "This program that we're talking about today, there is no means testing. A family like yours would be covered."

He also failed to mention that the \$500 million pilot program proposed by the administration would establish the school-choice program in only a small fraction of U.S. school districts.

Mr. Bush has described the program as a central ingredient in his re-election campaign. He made the error on a day in which he appeared unusually eager to strike any chord that might energize his troubled campaign. (LAT)

Victim May Address Republicans on AIDS

HOUSTON — A woman with the HIV virus who is the daughter of a Republican fund-raiser is talking with Republican officials about speaking on AIDS at the party's national convention.

Mary D. Fisher, the daughter of Max Fisher, honorary chairman of the Bush-Quayle 1992 National Finance Committee, has had discussions with Republican officials about speaking at the convention, Aug. 17 to 20, said A. James Heynen, spokesman for the Greystone Group Inc. The group is helping Ms. Fisher set up a nonprofit organization, the Family AIDS Network, a national support group for friends and family of those infected by the virus.

Joe Fleming, a convention spokesman, said chances were good that Ms. Fisher would be selected to address the convention.

"I do know that everybody familiar with her story and with her personality is greatly moved," he said.

Ms. Fisher, 43, contracted the virus from her former husband, Mr. Heynen said. (AP)

Bush's Pre-Convention TV Ad Bill: \$5 Million

WASHINGTON — President George Bush's campaign is planning to put on the air as much as \$5 million in television advertisements before the Republican National Convention next month in an effort to revive the president's image after his battering by the Democrats last week.

Bush campaign officials said that they were hoping the barrage of advertisements could be ready to run during the Summer Olympics, which open this weekend and are usually assumed of high ratings.

The Democratic campaign of Governor Bill Clinton, meanwhile, has developed advertisements but is holding back as Mr. Clinton enjoys favorable free publicity from the convention and a bus tour of the Middle West. Campaign aides have refused to discuss even the contours of their advertising plans.

For Mr. Bush, one 30-second advertisement created weeks ago anticipated the drubbing he got at the Democratic convention from speaker after speaker.

One speaker, described in the script as a "black lady," says, "If all the things they said about him at the Democratic convention were true, he'd be the most unearthing man in America." (NYT)



President George Bush receiving flowers from children of the Polish National Alliance after he made a speech at the Three Saints Russian Orthodox Church in Garfield, New Jersey.

Quote-Unquote

Lyn Nofziger, a former White House political director in the Reagan administration, on reports that Secretary of State James Baker 3d would join the Bush re-election effort: "If Jim Baker goes into that campaign, you can bet your life that he figures Bush has a chance of winning. Because he ain't going to go near anyplace where he thinks he's going to lose."

Away From the Hustings

Backers of the superconducting supercollider got a glimmer of hope when a Senate appropriations subcommittee agreed to include \$550 million for the project next year. The House of Representatives voted last month to eliminate funding for the \$8.25 billion program.

The commander of a navy salvage ship based in Hawaii, Lieutenant Commander Donald J. Oswald, has been relieved of his duties, pending an investigation into accusations of fraternization and sexual harassment aboard the ship, the U.S. Navy has announced.

Insulation in many U.S. nuclear power plants fails to meet federal standards and might melt in a fire in an anti-nuclear watchdog group said. The Nuclear Information and Resource Service said the insulation was in as many as 87 of the 110 operating U.S. plants.

The Los Angeles County chief administrative officer, Richard B. Dixon, who has been buffeted by allegations of mispending taxpayer funds and weakened by calls for his dismissal, said he would resign by the end of the year.

Two earthquakes in the Los Angeles area last month sent thousands of gallons of oil oozing out of their natural underground reservoirs into rivers miles from the quakes' epicenters, creating a threat to wildlife, officials of the U.S. Environmental Protection Agency said.

The embassies advocate, Jack Kevorkian, said he might counsel more chronically ill people about suicide even though a judge has requested that he wait until the issue is resolved by the medical profession. A Michigan judge dropped two first-degree murder charges against Dr. Kevorkian after he helped two women commit suicide.

A 6-month-old calf has died of infection after surviving for 118 days on the world's first fully implanted wireless artificial heart. The calf received the plastic and metal heart developed by the Penn State Medical Center in Hershey, Pennsylvania, on March 24.

AP, NYT, WP, LAT, UPI, AFP

Democrats Are Target Of Sharp Attacks

The Associated Press

WASHINGTON — As Republicans began sharpening their attacks on the Democratic ticket, President George Bush's spokesman on Wednesday assailed Senator Al Gore, the vice presidential candidate, for "telling the world how crummy America is" at the environmental conference in Rio de Janeiro last month.

The spokesman, Martin Fitzwater, said Senator Gore "Mr. Sellout America."

He said that Republicans were increasing their attacks on Mr. Gore and Bill Clinton, the presidential nominee, because the Democrats "have to go negative to cover up their miserable record."

Mr. Gore led the Senate delegation to the Rio meeting and was critical of Mr. Bush's performance there. He has called the president's environmental record "a joke" and said Mr. Bush "prevented the world from reaching some meaningful commitments" at the conference.

The United States was alone among 154 nations attending the meeting in refusing to sign a treaty committing governments to protecting endangered species. Mr. Bush objected to funding and other clauses that he said might harm U.S. business and jobs.

Mr. Fitzwater also said that it was "baloney" that the Bush campaign was in trouble.

"We've got a good campaign under way," he said. "A good issue, large enthusiastic crowds."

Draft Issue Raised

Ruth Marcus and Helen Dewar of The Washington Post reported from Washington.

Top Republicans, including Vice President Dan Quayle and Bob Dole, the Senate minority leader, have intensified their attacks on Mr. Clinton's draft record, his economic plan and what they call his party's "big liberal ticket."

Mr. Quayle recently accused Mr. Clinton of choosing Mr. Gore as his running mate to make up for the fact that he did not serve in the military during the Vietnam War. Senator Jake Garn, Republican of Utah, has raised the issue of Mr. Clinton's draft record.

"I am sure that Bill Clinton does not want to discuss the draft," Mr. Quayle said. He said Mr. Gore was probably put on the ticket "because he went to Vietnam."

"I am sure Bill Clinton does not want to talk about character and some of the other things, so I think Al Gore was put on the ticket to shore up Bill Clinton's inadequacies," he said.

Mr. Clinton hit back, citing the Vietnam-era record of people in the Bush administration.

"I mean, if Jake Garn's right, then Dick Cheney and Dan Quayle and George Bush's sons can't hold national office," Mr. Clinton said. Mr. Cheney received five draft deferments during the war. Mr. Bush's eldest son, George W. Bush, joined the Texas Air National Guard in 1968.

On Tuesday, Mr. Dole took to the Senate floor for the second day to attack what he called the "big liberal ticket" and Senator Phil Gramm, Republican of Texas, held a news conference to deliver a point-by-point critique of Mr. Clinton's economic plan, which he described as "very menacing."

The Bush-Quayle campaign political director, Mary Matalin, said the attacks were "not coincidental" but that they were precipitated by Mr. Clinton's economic plan, not by the president's sagging poll ratings.

"This has nothing to do with the polls," she said.

Mr. Clinton's economic plan, she added, was a "scam" that the Democratic nominee was "trying to pervert on the American people."

Another Republican official said, however, that the attacks reflect the fact that Mr. Clinton "is on a very good roll, and we can't wait forever."

National right to life organizations have been coordinating the effort, notifying local anti-abortion activists of the Clinton-Gore travel schedule.

"What about the babies?" dozens of protesters chanted throughout the rally Tuesday.

Joseph M. Scheidler, the executive director of Pro-Life Action League of Chicago, who led the demonstration, bullhorn in hand, said the national organizations wanted the Democratic ticket to realize that "there's a national direction to this."

"These are local people, but we want them to see it's not just rain."

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Governor Bill Clinton waving to supporters as he boarded the bus after a stop in Evansville, Indiana.

Abortion Issue Tails Clinton

By Edward Walsh Washington Post Service

EVANSVILLE, Indiana — When Bill Clinton and Al Gore rolled into this southwestern Indiana city, a large, friendly crowd waving signs and banners was waiting to greet them. So were Margie Dannheiser and Kathy Hale.

The two women stood at the edge of Highland Field, where the Democratic presidential and vice presidential candidates addressed their supporters on a muggy afternoon, providing silent witness to the issue that has shadowed the Democrats throughout a six-day campaign bus tour, which ended Wednesday in St. Louis, Missouri.

"Stop Abortion Now," read a sign held by Mrs. Dannheiser. "Clinton-Gore Support Killing Children," Mrs. Hale's sign read.

"He says pro-choice is not pro-abortion, but we don't look at it that way," Mrs. Hale, 63, a retired factory worker, said of Mr. Clinton. "The choice they're taking is pro-abortion. I don't think he understands what they're doing — killing these little babies."

"This is a life and they are destroying it, and that is murder," added Mrs. Dannheiser, 61, a registered nurse. "This is God's law."

"The choice should be in the sex act," she said. "That's pro-choice and that's fine."

It has been the same at virtually every stop during this 1,000-mile (1,600-kilometer) trip.

Public opinion polls suggest that a solid majority of Americans oppose overturning Roe v. Wade, the 1973 Supreme Court decision that legalized abortion, and that certainly was the sentiment of Democratic convention delegates and most people in the large crowds that have wildly cheered Mr. Clinton's declarations that the government should have no role in a woman's decision to have an abortion.

But out on the fringes of the crowds, anti-abortion activists wave their "Stop Abortion Now" signs and shout angrily at the Democratic candidates.

For the most part, Mr. Clinton and Mr. Gore have ignored the protests, although on Monday night, outside a television studio in Louisville, Kentucky, Mr. Gore offered a passionate defense of his abortion-rights stance to a man who listened attentively as edge Secret Service agents looked on.

National right to life organizations have been coordinating the effort, notifying local anti-abortion activists of the Clinton-Gore travel schedule.

"What about the babies?" dozens of protesters chanted throughout the rally Tuesday.

Joseph M. Scheidler, the executive director of Pro-Life Action League of Chicago, who led the demonstration, bullhorn in hand, said the national organizations wanted the Democratic ticket to realize that "there's a national direction to this."

"These are local people, but we want them to see it's not just rain."

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INTERNATIONAL Herald Tribune

Silence Serbia's Big Guns

Serbia's murderous shelling of civilians in Sarajevo and Gorazde has intensified despite last Friday's cease-fire accord. The Serbs had pledged to place their artillery, mortars and other heavy weapons under UN supervision.

Security Council to authorize air strikes on Serbian gun emplacements around Bosnia's cities. And it can muster the air power to carry them out. Such military action will not only allow relief efforts to resume. It will also raise the price of aggression and bolster Bosnia's bargaining leverage at talks with Serbia and Croatia to arrange a settlement.

The Challenge to Italy

After the Mafia assassinated Judge Giovanni Falcone in Palermo two months ago, the Italian government vehemently declared that it was at last going to war against the mob. The Mafia's answer, delivered on Sunday, was to assassinate the chief public prosecutor, Paolo Borsellino, in the same method, a huge bomb, in the same city.

It is a warning to the government to back off — that it will not be able to protect its own police and magistrates on the Mafia's turf. Over the years, the Mafia has killed many hundreds of people including judges, prosecutors, police officials and a few unfriendly politicians.

China Invents a Criminal

Bao Tong, who was sentenced to seven years in jail on Tuesday for "leaking state secrets" and spreading "counterrevolutionary" propaganda, is no criminal. As chief aide to the former Communist Party chairman, Zhao Ziyang, Mr. Bao gave substance to the reform policies then favored not only by the official hierarchy but by the real leader behind the scenes, Deng Xiaoping.

He was arrested in May 1989, shortly after the hard-liners deposed Zhao Ziyang. He played no role in the massacre, which did not take place until June. His counterrevolutionary propaganda seems to have consisted of approaching the students to urge peaceful compromise when hard-liners preferred to make a forceful example by sending in the army.

America Has to Readjust

Who is to blame for the uncertain state of the American economy and the high unemployment? Alan Greenspan, chairman of the Federal Reserve Board, gave his audience less comfort than it sought when he testified on Tuesday before the Senate Banking Committee. Some of the Democrats angrily suggested that perhaps Mr. Greenspan himself bears some of the responsibility, for failing to reduce interest rates faster. But, as they know, even very low interest rates have not been having as much effect as either the politicians or the economists expected.

Mr. Greenspan has been arguing for some time that the country is convalescing from the enormous boom of the 1980s. On a much more modest scale, the same thing is going on in America. The senators wanted to know what Mr. Greenspan's monetary policy had done for the country lately. He pointed out that the 1980s were the first great speculative boom since World War II. In the past, that kind of boom generally ended in an enormous crash and — although he did not use the word — depression. This time Americans have managed — so far — to make their way through a risky and difficult passage with nothing worse than the lingering effects of a medium-sized recession.

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OPINION



Stop Playing Political Games With Foreign Policy

WASHINGTON — It seems as though some in Congress and the press are hoping to turn one of America's greatest recent triumphs, its leadership in the Gulf War, into fodder for a scandal. The signs are everywhere. Critics have attacked the all-important "gate" suffix to their enterprise, making this one "Iraqgate." They have glued together a series of unconvincing details and described the result as an indictment. Some people, members of the House Judiciary Committee included, even want to hire an independent counsel to investigate.

Let's stop and think for a moment. It is one thing to debate and criticize policy judgments. It is quite another to attempt to criminalize the foreign policy process. Part of the latest "gate" stems from allegations that Agriculture Department programs to promote sales abroad were abused. Much has been written and said recently about sales of American agricultural products to Iraq under the credit guarantee and General Sales Manager's (GSM) program. Unfortunately, not all of it has been accurate or objective.

First, the GSM programs are loan guarantees, not loans. Iraq did not get money under this program. The sellers of the commodities or the people who financed the sales were the ones who received the guarantees. It may be, as some have alleged, that shipments of grain were somehow diverted and then resold, with that money being used for Iraqi arms purchases. We know, however, that in many cases the Iraqis were paying higher than world prices for grain, mainly because sellers were cautious about doing business with Iraq.

The administration crafted its Iraq policy with the advice and help of allies. If Washington had acted precipitously — say, by imposing unilateral trade and diplomatic sanctions against Iraq — it would never have persuaded Arab League countries to join it during the Gulf War. There is no need for an independent counsel, particularly one appointed during this political campaign who has no hope of producing a final report until after the elections. Congress has investigated and is continuing to investigate the administration's Iraq policy. Some people on Capitol Hill have violated the trust of the White House and the privacy of some federal workers by leaking documents selectively, presumably to create the image of corruption. Today a handful of partisans want to place politics before country. In the process, they seek to tarnish a moment in which Americans regained sight of their own greatness. For these partisans, the president's chief sin seems to have been one of being correct on the Gulf War when the partisans were not.

Militancy For a Pill? Why Not?

By Anna Quindlen

NEW YORK — From time to time you hear complaints from people of America's national attention is being focused on AIDS. What about cancer? say cancer survivors. What about heart disease? And in these complaints there is usually a touch of envy. Many of us whose lives were mangled by mortal illnesses suffered privately, confident that doctors and researchers and the purveyors of government grants were doing their best. We waited. And waited. And waited.

Then the AIDS activists disrupted hearings and marched down city streets and agitated, agitated, agitated for better drugs, for speedier approvals, for more research money. Some people think they are too militant. If I could help give someone I loved a second chance, or even an extra year, what people think would not worry me a bit.

It's certain we women can learn from this. After all these years of waiting politely for a male medical and governmental establishment to be nice to us. When the president pandered yet again to the anti-abortion lobby by vetoing a measure that would pay for research on women's health issues because it also lifted the ban on fetal tissue research, it was clear we'd been polite too long.

And then there's RU-486, the pill that causes early abortion. Imagine if doctors discovered a method of vasectomy that required only a handful of capsules and a drink of water. It would be approved so fast it would make your head spin.

A pregnant social worker named Leona Bentein was stopped at Kennedy Airport in New York when she flew in from Europe carrying a duly prescribed dose of RU-486. The drug is on a special import alert list, although even some Food and Drug Administration officials say that it has nothing to do with safety. It didn't go on the list at the behest of serious scientists, but at the request of conservative members of Congress, thereby making the FDA an arm of the right-to-life lobby.

But RU-486 is not just a drug that induces abortion. There is evidence that it may help fight breast cancer, a disease that leads to the deaths of 44,000 American women a year. Some doctors think the drug could prove useful in treating adult diabetes, hypertension and other cancers. But they — and you, if you suffer from any of those conditions — are stymied in the United States by the unwhipped alliance of politics, medicine and corporate caution.

The company that manufactures RU-486, Roussel-Uclaf SA, has acted as a business tent to do. It pulled the drug off the market in its native France after protests, putting it back on only after the French government ordered it to do so. The company has not even sought approval for RU-486 in the United States, where poses of men illustrate their respect for life by thrusting fetal remains at candidates and clinic escorts. The pill is used with success and safety in several European countries.

There is a kind of resonance to all this for anyone who has read Ellen Chesler's marvelous biography of Margaret Sanger. One legal challenge described in the book is entitled — truly — United States v. One Package Containing 120, more or less, Rubber Pessaries to Prevent Conception. The offending devices were sent to Mrs. Sanger by a Japanese doctor, then confiscated by customs. This was not an uncommon problem; after Mrs. Sanger married the inventor of 3-in-One oil, he suggested that she put in the product's containers. It all seems rather quaint, as Leona Bentein's difficulties someday will, which is cold comfort to her today.

India's Reform Keeps Bumping Along

By Rajendra Bajpai

NEW DELHI — India's economic liberalization program has been shaken in recent weeks by a financial scandal in which brokers and bankers entered into an unholy alliance to use large amounts of depositors' money to speculate on the country's stock markets. The scandal has rekindled a full-blown debate on whether Western-style free market reform is the way to prosperity for India. But the shock waves are unlikely to halt the reforms; the minority government of Prime Minister P. V. Narasimha Rao survived a no-confidence motion fairly handily.

Critics of the government in Parliament accused unnamed ministers of involvement in the scam, which led to suspension of trading at the Bombay stock exchange for more than a month. The only high-level casualty has been Palaniappan Chidambaram, the commerce minister. He was not directly involved in the scandal but resigned this month after disclosing that he had invested in a financial company implicated in the affair. Himself a champion of economic reform, he quit to protect the image of the government. In fact, the scam was exposed as a result of the government's economic reforms, although few critics will concede this. It is now clear that for years brokers and bankers colluded to divert bank funds to the stock market to collect windfall profits. Successive governments seem to have been largely unaware of the practice. Overregulation of the banking system before the Rao government took office in 1991 forced banks to cover losses suffered in large mandatory investments in low-yielding government securities. This old system — where rules were broken and banks ran secret operations to make money — was exposed by the great-

er transparency of the free market. While the government has survived the latest trouble, it has a long way to go before the reforms are complete and tangible benefits emerge. Foreign investment and foreign exchange reserves have increased sharply as a result of the market-opening measures. But, contrary to government expectations, inflation is still close to an annual rate of 12.5 percent. Food-grain production has dropped by 3 percent and exports are stagnant. Indian businessmen were among the first to hail the reforms, but some are now questioning whether they can compete with foreign investors on a level playing field. That is a worrying sign for a minority government that needs to gain allies, not lose them, if it is to keep its liberalization program on track.

Mitterrand Sidesteps the Moral Issue Over Vichy

By William Pfaff

PARIS — In 1972, Robert Paxton, an American historian, published a history of the wartime Vichy government in France, making the disconcerting argument that Vichy had not only been a collaborationist regime but a dynamic and coherent attempt to create a new France — conservative, corporatist and authoritarian. He said that Vichy produced technocratic and administrative innovations that greatly influenced postwar France. He also said that Vichy had its own racialist ideas, and that its policies toward the Jews were not simply those dictated by the German occupation authorities.

This month saw the 50th anniversary of the single most scandalous act of French collaboration with Nazi racial policy, the arrest by Paris police, on July 16-17, 1942, of some 13,000 Paris Jews, for deportation to the Nazi camps. There were 4,000 children among them. Until the trains took them away they were held in a Paris bicycle-racing stadium, the Velodrome d'Hiwer. Of the 13,000, about 400 survived the war.

A committee formed in recent weeks petitioned President François Mitterrand to make a formal statement on this terrible anniversary, acknowledging that "the French state of 1940" was responsible for this crime, and others. He replied in the following words: "Do not hold the French Republic accountable. Legally speaking, it has done its duty... The French state in 1940 was that of Vichy; it was not the Republic." The sense of this was that the Vichy government occupies a parenthesis in French history and was not a legitimate government, hence that its acts are not the responsibility of today's Republic.

Soon after he made his famous appeal from London in 1940 for the French to continue their resistance to the Nazis, Charles de Gaulle challenged the constitutionality of the French parliament's grant of "full powers" to Marshal Philippe Pétain to create a new French state devoted to the values of "work, family and patriotism." This had been done by the overwhelming vote of the last parliament of the Third Republic, on July 11, 1940, in Vichy. It was essential for the Gaullists to claim that the Third Republic survived — in which General de Gaulle had been a junior cabinet minister — and that they possessed its legal continuity. To do so gave them juridical standing in their dealings with the British and, later, American governments. When General de Gaulle took control of French colonial forces in North Africa, which formerly had recognized Vichy's authority, the Free French again insisted that the Republic had never ceased to exist. However, as a commentator in Le Monde, Edwy Plenel, has written, while this argument may be legally tenable, it is historically misleading and politically insufficient — and this is what Mr. Mitterrand has found. His statement has simply generated a larger controversy.

Marshal Pétain had become the last prime minister of the Third Republic on the night of June 16-17, 1940, in order to ask for Germany's peace terms. He was nominated by the wartime prime minister, Paul Reynaud. Mr. Reynaud and others had wanted to go on fighting from French North Africa, but there was never a showdown vote between those who wanted to fight on and those supporting Marshal Pétain's decision to seek surrender terms. When he announced that he sought an armistice, however, resistance simply collapsed for the vast majority of the French. Whatever the legality of the new state formed the following month in Vichy, Marshal Pétain's actions clearly responded to the popular will of the public in those final days of

the defeat and the first months of occupation. For many months to come he remained the object of popular adulation and confidence. Even more significant is the point made by those who petitioned Mr. Mitterrand for a statement on the Vel d'Hiv anniversary. The great institutions of the French state, and the majority of its civil service and judiciary, together with its police, faithfully carried out the Vichy government's policies of collaboration with Nazi Germany. In some cases, as in the deportation to Germany of refugee Jews in France and then of French Jews themselves, some went beyond what the Nazis demanded. François Mitterrand is of a generation which personally knew the popular support Marshal Pétain enjoyed, and which experienced the moral complexities of the period. He himself served the Vichy state for a time, subsequently joining the Resistance. His refusal to acknowledge the French state's responsibility for what was done by Vichy is endorsed by former President Valéry Giscard d'Estaing, who also says that no continuity of responsibility exists to connect the Vichy state to the present Republic. The two stand for opposite values, he says; hence the one cannot accept responsibility for the other. The argument is one a foreigner is imprudent to enter. It is undeniable that certain Vichy loyalists are not yet dead in France. It would also seem undeniable that Vichy was a regime expressing the will of the majority at that moment for drastic, even revolutionary change in how France was governed. Whatever its legal standing, it commanded the apparatus of the French state in carrying out policies that the public majority did not actively repudiate until late in the war. The argument that the Republic never ceased to exist was necessary to

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Fear of Parliament

PARIS — France has for some months been engaged in commercial and economic struggles with her neighbors. Now the negotiations with Spain are as good as broken off and the negotiations with Switzerland are dragging. The French Government is desirous of treaty but is afraid of the Chamber. What sort of a Government has not the courage to risk a check by Parliament when it is called upon to defend the interests of the country? It is said when a government virtually says: "Don't ask for more. If we give it, we shall be overthrown."

1942: Alamein Front

CAIRO — [From our New York edition:] British imperial troops, assisted by Allied planes, which ruled the air almost without challenge, attacked Axis forces along the 40-mile desert front west and south of Alamein tonight [July 22] in an onslaught that began last night and dragged inconclusively all day. General Sir Claude J. E. Auchinleck reported progress with forces on the northern coastal sector. On the center some success was reported in tank fighting, while on the south United Kingdom troops were making progress. It was the first time the defenses of the Alamein positions had attacked on all three sectors simultaneously.

1917: Lenin Accused

PETROGRAD — Amazing facts are being revealed about Lenin, the leader of the Maximists, who has been exposed as a German agent. The disclosures show that he has been in communication with Germany all along. Telegraphic correspondence intercepted reveals the source of Ger-

Japan... Taiwan... Various small advertisements and notices on the right edge of the page.

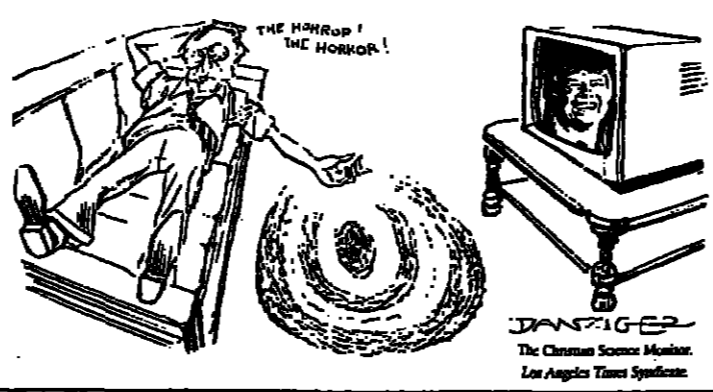
OPINION

The Dammed Waters Rise As the Bush Camp Scoffs

By George F. Will

WASHINGTON — Like the farmers who tilled fields at the foot of Mount Vesuvius, Bush campaigners are confident that natural forces favor them. Rich Bond, the Republican chairman, interviewed on television with a beach behind him, yawned about Bill Clinton's surge. Noting that four years ago Michael Dukakis led George Bush 51 percent to 44 percent, Mr. Bond said: "You see behind me high tide. Time passes, gravity centers, the tide goes out and low tide is on the way for Bill Clinton."

Mr. Bush considers a future in which he is defeated and has to work as a carpenter on low-income housing ...



In Prague, the Fresh Faces Vanish

By Josef Skvorecky

TORONTO — Raymond Chandler's Captain Webber, in "The Lady in the Lake" tells Phillip Marlowe: "Police business ... is a hell of a problem. It's a good deal like politics. It asks for the highest type of men, and there's nothing in it to attract the highest type of men. So we have to work with what we get."

The Czechs will be better off without it. In the past two years, while Mr. Havel's people were effecting the peaceful transition — never before tried in history — from totalitarianism to democracy, these old hands regrouped and, making the most of errors of the unexperienced parliamentarians, ousted the children of the Velvet Revolution from positions of influence.

Havel group is merely another example. The decisive anti-Havel force, however, is Mr. Meciar's party in Slovakia. It is the tragedy of the Slovaks that the only time in history when they had an "independent" state was during World War II as a Nazi satellite.

MEANWHILE

It passes away from them. Afterwards comes the turn of all the pretentious intellectual failures of the time. The demise of the Velvet Revolutionists was partly the democrats' own fault. Instead of pragmatically forming a democratic coalition with the liberal Citizens Democratic Movement, led by Vaclav Klaus, they splintered among various groups, none of which received the necessary 5 percent of votes.

Mr. Klaus's party won decisively, and most of its supporters, although not Charistars, are not burdened with a Communist past. But the faces of people who risked jail rather than live with the lie in the long years of Communist rule are mostly gone.

The Czech Communist Party, which won 14 percent of the vote, stays put. It is an unrepentant mafia of Stalinists that never apologized to the nation for 40 years of horror. Its effrontery was demonstrated recently by its chairman, Jiri Svoboda, when he asserted that Mr. Klaus's democratic movement — not his own neo-Communist Party — was now representative of Bolshevik thinking, since Mr. Klaus is trying to establish one-party rule.

LETTERS TO THE EDITOR

Long Live the Monarchs

George F. Will ("The Royals Have Squandered Their Magic," Opinion, June 25) admits that the world could do with a few monarchies in Eastern Europe as a unifying factor. Clearly it is not monarchy in general, but the British monarchy in particular that he loathes. Still, it may be worth rehearsing the advantages that are common to all monarchies and lacking in republics.

than republicanism. Nor can Mr. Will justify his assertion that monarchy is primitive. Six out of 12 European Community countries are monarchies, as are three of the Group of Seven countries.

German Police Methods

At the recent economic summit in Munich, the Bavarian government was so preoccupied with avoiding a repetition of the Olympic tragedy of 1972 that they came dangerously close to following procedures associated with the Nazis. Adopting a strategy of quick and aggressive intervention, they stormed a planning meeting for an anti-summit demonstration, and invoked the right to arrest and hold people they merely considered to be potentially dangerous.

ency, later attempted to justify the action by saying that a "tough response is the Bavarian way of doing things."

votes becomes president without recourse to House decision. In the past 100 years, the five third-party candidates who won any electoral votes at all — James Weaver, Theodore Roosevelt, Robert LaFollette, Thurmond and George Wallace — couldn't win enough to prevent an electoral majority.

A Harpoon for Norway

You report that Norway has unilaterally decided to resume hunting and killing whales. Thus Norway sooms world opinion. The world community should respond in kind. Other nations should immediately arrange the suspension of Norway's right to host the forthcoming Winter Olympics. For it would be inappropriate for a pirate nation demonstrating the worst of international behavior to be honored with the Olympic symbol of universal brotherhood.

The Electoral Vote

"As you know, if we cannot win in November, the election will be decided in the House of Representatives," and this would "be disruptive to the country," said Ross Perot to explain his abrupt withdrawal.

Out of the Frying Pan

Whether they're Kentucky fried, Tex-mex fried or just plain chicken, the Republicans don't offer anything but reheated policies. It's time to change the batter and what better batter than the southern fried team of Clinton and Gore?

GENERAL NEWS

U.S. Plans a New Visa Lottery, With New Rules

WASHINGTON — For the second consecutive year, the State Department is organizing a "visa lottery" that will give natives of 36 countries or territories, mostly in Europe, a chance to reside permanently in the United States.

Irish-American lawmakers noted that changes in immigration law in recent years have benefited mainly Hispanics and non-Europeans.

gium, Canada, Czechoslovakia, Denmark, Estonia, Finland, France, Guadeloupe, New Caledonia, Germany, Britain, Northern Ireland, Bermuda, Gibraltar, Hungary, Iceland, Indonesia, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Monaco, Netherlands, Norway, Poland, San Marino, Sweden, Switzerland and Tunisia.

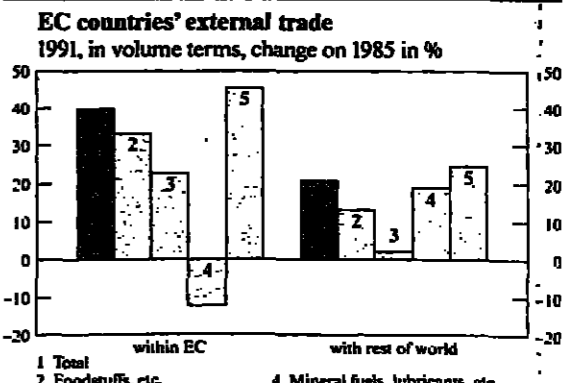
The Commerzbank report on German business and finance

Intra-industry trade drives growth in Europe

Since 1985, when the Single Market project was launched, the twelve EC countries' trade has expanded in volume terms by about 40%, roughly in line with world trade. During this period, however, the Community's internal trade was much more buoyant. Most of the growth in intra-EC trade was fuelled by trade in manufactures, which accounts for almost 80% of total exports and imports and is growing much faster than trade in raw materials and agricultural produce, which contributes less than 12%.

"Economic gains limited unless protectionist sentiment is successfully restrained."

Although intra-industry trade is most highly developed within Europe, it is gaining momentum in other regions as well. As the long-term growth potential is greater outside Western Europe, notably in Asia and Latin America, Europe will only be able to participate in these regions' expanding markets if it guarantees free access to its own markets.



EUROPEAN TOPICS

German Navy Yields To a Mother's Pleas

A distraught mother has persuaded the German Navy to release her son off a frigate due to help observe a United Nations embargo against Serbia, a navy spokesman said Wednesday.



TURMOIL IN BRITAIN — Residents near barricades that had been set alight in Burnley, north of Manchester. Over several days, rioters have confronted police with stones and gasoline bombs. Unemployment and poverty have been cited in several recent outbreaks across Britain.

rum, while cocaine worth £75,000 was found in a woman's hair at Heathrow. Braids had been stuffed with the drug and then concealed by a hairpiece.

French customs agents will destroy several hundred kilograms of ivory seized since Jan. 1, officials said this week. The ivory, including four carved tusks found in a diplomat's baggage, has been seized on the French side of the Swiss border at the Geneva airport.

years how many of those who followed the course have refrained from smoking.

Drug Seizures Rise At British Airports

Drug traffickers, constantly seeking new ways to get their wares through customs checks at London's three airports, are coming up with ever more ingenious methods of concealment.

The regional government of the Faeroe Islands said this week it was considering pulling out of the International Whaling Commission because the panel had criticized Faeroese whaling methods. Officials said the agency had no right to get involved in the Faeroese hunting of pilot whales, since the International Whaling Commission is not an authority on small whales.

Anti-smoking classes have been introduced by a team of 15 German physicians in 30 high schools in the Frankfurt region. The doctors devised a four-week program aimed at children aged 13, which they said was the age when most of them start smoking.

Focus on manufactures

Over the past twenty years, trade in similar products between countries with a similar factor endowment has grown at a much higher rate than traditional trade in complementary goods. In most mature economies, this "intra-industry trade" in manufactures now accounts for well above 50%. Thus the overall outlook for world trade will be determined primarily by the development of intra-industry trade.

Manufactured goods, above all machinery and vehicles, account for the lion's share of the EC countries' trade, especially within the Community. Here, export and import growth rates have been well above-average for the past ten years.

All in all, buoyant intra-industry trade will continue to be one of the engines of global trade growth. The main beneficiaries will be the mature industrial economies, the former communist states of Eastern Europe and many middle-income developing countries. However, the economic gains from increased intra-industry trade will be limited unless the current protectionist sentiment in the EC is successfully restrained.

COMMERZBANK German know-how in global finance

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# UN Chief Rejects Plan to Monitor Weapons in Bosnia

Compiled by Our Staff From Dispatches

**UNITED NATIONS, New York** — Secretary-General Butros Butros Ghali rejected on Wednesday a suggestion from the Security Council that UN military observers monitor artillery, tanks and other heavy weapons used by the Serbians, Muslim and Croatian combatants in Bosnia-Herzegovina.

The proposal for UN monitoring, which Mr. Butros Ghali said would require about 1,100 observers, was contained in a cease-fire accord reached in London.

The truce has been largely ignored. "I have come to the conclusion that the conditions do not exist for me to recommend that the Security Council accept the request of the three parties in Bosnia-Herzegovina that the United Nations supervise the heavy weapons," Mr. Butros Ghali said in a written report.

The Security Council had endorsed the request in the London agreement. This elicited an angry letter from Mr. Butros Ghali on Monday, saying he opposed the monitoring operation and chiding the council for having agreed without consulting him.

In Bosnia-Herzegovina, there were these developments in the fighting:

• The Sarajevo airport remained

open to international relief flights despite heavy overnight shelling around its perimeter.

• Croatian radio said more than 50 people were killed or wounded overnight in shelling by Serbs around the besieged town of Gorazde in eastern Bosnia.

• The head of UN forces in Sarajevo accused the warring factions of attacking their own sides. Major General Lewis MacKenzie of Canada said late Tuesday, "We have evidence that the two sides have fired on themselves in order to create the image of the other side initiating attacks."

General MacKenzie spoke of a "downward spiral" in the war and said the combatants would shrink from nothing, not even shelling their own people, to try to win world sympathy.

Mr. Butros Ghali, in his report, cited matters of principle as well as practical reasons for opposing a weapons-monitoring operation.

The United Nations already has about 14,000 troops deployed in Croatia and well over 1,000 in Sarajevo, the Bosnian capital.

Citing principle, the secretary-general said the request in the London agreement raised a question of the relationship between the United Nations and regional organizations — an allusion to the fact that the cease-fire was negotiated under EC auspices.

Mr. Butros Ghali added there was a "lack of clarity concerning the respective roles of the United Nations and the European Community in implementing the London agreement," and that, in any case, the cease-fire had failed to come into effect.

Regarding practical issues, he said the additional functions to be performed by the peacekeeping force in Yugoslavia were "simply beyond the present operational and logistical capability of the United Nations."

The UN chief added that, in the circumstances, it would take at least three months to deploy all the personnel and equipment needed to carry out such an operation.

"There is reason to doubt whether the parties in Bosnia-Herzegovina would respect the cease-fire for so long a period without their heavy weapons being supervised," he said.

In addition, Mr. Butros Ghali cited priorities, saying the United Nations was "already massively engaged in the former Yugoslavia," where it was dealing with a huge refugee problem and where the mandate of the UN military force was "constantly expanding."

"My concern is that if the Security Council continues to concentrate its attention and resources to such an extent on Yugoslav problems, this will be at the expense of the organization's ability to help resolve equally cruel and dangerous conflicts elsewhere, e.g., in Somalia."

(Reuters, AFP, AP)

## BONN: Military Role

(Continued from page 1)

Concepts could face life-threatening situations is so strong that the parliamentary staff member in charge of military oversight felt obliged to assure the public that no German is endangered by the Adriatic patrols.

The Social Democrats on Wednesday dismissed the Adriatic operation, saying it served no military purpose and was a political tool for prying open the rules of German engagement in conflicts outside the North Atlantic Treaty organization area.

Several leading members of Mr. Kohl's Christian Democratic party have taken the completely opposite approach, arguing that the situation in Yugoslavia has deteriorated to a point requiring a military attack on Serbia, a course Mr. Rube specifically rejected.

German television now devotes portions of its news programs to graphic accounts of the Yugoslav bloodshed and the resulting flight of refugees to Germany and other European countries. Mr. Kohl said this week that Germany would accept 5,000 more Yugoslav refugees and pay \$34 million to build camps for about 20,000 refugees in Croatia.

But the Social Democrats demanded that Germany accept far more refugees and that the United Nations mount a war crimes trial against Serbia's government.



A new unit of Azerbaijani paratroopers being put through marching drill on Wednesday. Nearby, Armenians said they had shot down an Azerbaijani jet.

# Moldovans Say Dniester Rebels Killed 3 Soldiers

By Lawrence K. Altman

New York Times Service

**MOSCOW** — The Moldovan Defense Ministry said Wednesday that three soldiers had been killed in an attack by Russian-speaking separatists, a day after Russia and Moldova agreed to form a joint peacekeeping force.

Itar-Tass quoted a spokesman as having said that the soldiers were killed in Bendery, part of the secessionist Trans-Dniester region. It said the rebels had attacked a number of Moldovan villages with tanks.

A statement by the Dniester separatists said Moldovan forces had tried to seize the village of Gyska overnight but were beaten off. It said Bendery had been shelled but reported no casualties.

Hundreds of people have been killed since March in clashes between the two sides. The Dniester rebels say they fear possible unification of Moldova with Romania would jeopardize their rights. They have already declared independence.

President Boris N. Yeltsin of Russia and his Moldovan counterpart, Mircea I. Snegur, signed an agreement Tuesday setting up a peacekeeping force and outlined guarantees for the future of the rebel region.

Moldova agreed that the Dniester region could decide its own fate if Moldova decided to join Romania. Russian and Moldovan troops in the peacekeeping force would be joined by members of the Dniester volunteer guard. It was not clear when the force would be formed.

The agreement follows the apparent success of a joint peacekeeping force deployed last week around the rebel region of South Ossetia in Georgia.

Elsewhere, Tass said Armenian forces in the disputed territory of Nagorno-Karabakh had shot down an Azerbaijani fighter-bomber.

It quoted local officials as saying their forces downed the plane Tuesday evening with a heat-seeking missile after it had bombed a village in the enclave's northern Mardakert region. The officials said their forces had retaken 11 villages in the Mardakert region over the last three days.

Bzerbaijan, whose forces were driven out of the Nagorno-Karabakh enclave in May, began a major counterattack last month.

Dozens of members of Rukh, a militant nationalist movement, gathered at the quay on Tuesday to cheer the crew.

The Ukrainian spokesman said crew members of the 815 had complained of humiliating treatment by their commanders. They said they had been barred from reading Ukrainian-language newspapers and intimidated after taking an oath to Ukraine. Also, they charged, their families had been deprived of social services.

The vessel stood at anchor off Odessa, defiantly flying the Ukrainian flag after having hauled down the old Soviet Navy ensign.

Tass said passions among sailors in Sevastopol, home port of the Black Sea Fleet, had reached boiling point over the defection.

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# Cost of Treatment for AIDS Virus Soars in U.S.

By Lawrence K. Altman

New York Times Service

**AMSTERDAM** — The cost of treating patients infected with HIV, the virus that causes AIDS, is soaring, and by 1995 the estimated cumulative total of caring for all HIV-infected people in the United States will reach \$15.2 billion, a U.S. official told an international AIDS conference Wednesday.

Costs have risen steadily since 1981, when AIDS was discovered. The increase reflects a variety of new therapies that have been introduced to combat the virus and the myriad other opportunistic infections that prey on people whose immune systems have been weakened by AIDS.

The therapies have improved quality of life for many individuals. But researchers debate whether the therapies have actually lessened death rates for the usually fatal disease.

The lifetime cost of treating an AIDS patient is now \$102,000, up from \$85,333 in 1991, said Dr. Fred Hellinger, a federal official who has been tracking the cost of care for the Agency for Healthcare Policy and Research in Rockville, Maryland.

The cost per year of treating an AIDS patient is now \$38,000 and the average cost of treating an HIV-infected individual who has not developed AIDS is about \$10,000, Dr. Hellinger said. A year ago, the estimated costs were \$32,000 and \$5,100 respectively.

The AIDS virus can remain silent for many years, sometimes up to a decade. Then, as the immune system breaks down, HIV causes the disease, AIDS, and a litany of health problems. Many of the new therapies for HIV-infected individuals are aimed at delaying development of the disease.

The soaring costs in the United States were tracked through a federal program analyzing the services used by 2,000 HIV-infected people in 10 cities. Dr. Hellinger said he also used data from state officials in California, Florida, Hawaii and New York.

The marketing of new drugs approved by the Food and Drug Administration accounts for much of the rising costs, and many such therapies also require monitoring with expensive laboratory tests.

The cost of care was one of many issues presented Wednesday at the Eighth International Conference on AIDS.

In a surprising finding, U.S. researchers analyzed five studies and found no increased risk of infection in the second of two children born to an HIV-infected mother, regardless of whether the first born was infected. Many researchers had believed that there was an increased risk of infection for a second child.

A study from the University of California at San Francisco, found that the condition of HIV-infected men who were also depressed declined more rapidly and death came sooner than with those who were not depressed. In the six-year study of 330 homosexual and bisexual men, a type of white blood cell dropped 398 percent faster in those who were depressed than in those who were not.

About a third of the men died, and the proportions were the same among those who were depressed and those who were not. But the depressed men were more likely to die sooner.

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HEALTH / SCIENCE



The nearly intact body of this Stone Age man emerged from melting glacial ice in the Tyrolean Alps.

From Frozen Mummy, Stone Age Findings

By Brenda Fowler  
New York Times Service

MAINZ, Germany — Last fall the mummified corpse of a late Stone Age man melted out of a glacier high in the Tyrolean Alps. That spectacular discovery is providing archaeologists with a startlingly vivid picture of how Stone Age man was clothed and equipped. Yet, with other archaeological material from the area so skimpy, there is almost no context in which to place this amazing individual, who stepped out of the ice nearly intact from the day he died about five millennia ago. "We look at cultures, and here is an individual," said Dr. Markus Egg, a prehistorian at the Roman-Germanic Museum in Mainz, which is restoring and studying the equipment found with the man. "That means it's really a forensic case." Study of the man's plentiful equipment, including a copper ax, quiver and arrows, is revealing the wealth of craft techniques. But larger questions, like who he was and where he came from, may not be answerable until more early alpine settlements have been excavated and researched. The evidence so far suggests that the man, who carbon-dating tests show he died between 3500 and 3000 B.C., was probably a herdsman from a nearby valley settlement, whose culture was influenced both by contemporary settlements on Swiss lakes and by those in the Po River Valley in northern Italy, prehistorians and archaeologists say. At the Mainz museum, Dr. Egg's team

of three has been cleaning, preserving, documenting and, when possible, restoring the tools and clothing found near the body of the man, who is believed to have died between the ages of 25 and 35. The uses of most of the tools have been determined, though not all the materials have been identified. Another intriguing discovery is an oval-shaped birch bark box, about 18 centimeters (7 inches) across at its widest and more than 30 centimeters high. The box was found crushed under the weight of the glacier. Nearby was a mass of maple leaves. At a conference last month in Innsbruck, Dr. Sigmar Bortenschlager, a professor of botany from the University of Innsbruck, said the maple leaves were green at the time of the man's death. The maple tree does not grow above 1,500 meters (5,000 feet), but the man was found at twice that altitude. Most intriguing is the fact that wrapped inside the leaves Dr. Bortenschlager found three grams of charcoal. Dr. Egg speculated that the man could have taken some glowing embers from his last fire, wrapped them in leaves and transported them in the box. Several pieces of the clothing have been preserved and are now as supple as they must have been when the man died. When the preservation process is completed, a restorer will begin trying to match up the various pieces. More progress has been made in conserving and reconstructing the man's shoes, which are unique. One shoe was almost destroyed when the man was extracted from the ice but enough remained of the second to begin a reconstruction, said Roswitha Goedecker-Ciolek, who is restoring the shoe. The shoe appears to consist of three pieces: a bottom sole and an upper flap, both made of leather, and a sock-like net sewn onto the bottom sole. The man apparently stuffed the net full of grass and then wriggled his foot into it. Laces on the net then enabled him to tighten the grass

around his foot to prevent it from slipping. Ms. Goedecker-Ciolek says the upper leather may have also been held on with laces. Besides insulating his feet from snow and ice, the grass also would have protected them from the rough going in the mountains. Another intriguing discovery is an oval-shaped birch bark box, about 18 centimeters (7 inches) across at its widest and more than 30 centimeters high. The box was found crushed under the weight of the glacier. Nearby was a mass of maple leaves. At a conference last month in Innsbruck, Dr. Sigmar Bortenschlager, a professor of botany from the University of Innsbruck, said the maple leaves were green at the time of the man's death. The maple tree does not grow above 1,500 meters (5,000 feet), but the man was found at twice that altitude. Most intriguing is the fact that wrapped inside the leaves Dr. Bortenschlager found three grams of charcoal. Dr. Egg speculated that the man could have taken some glowing embers from his last fire, wrapped them in leaves and transported them in the box. Several pieces of the clothing have been preserved and are now as supple as they must have been when the man died. When the preservation process is completed, a restorer will begin trying to match up the various pieces. More progress has been made in conserving and reconstructing the man's shoes, which are unique. One shoe was almost destroyed when the man was extracted from the ice but enough remained of the second to begin a reconstruction, said Roswitha Goedecker-Ciolek, who is restoring the shoe. The shoe appears to consist of three pieces: a bottom sole and an upper flap, both made of leather, and a sock-like net sewn onto the bottom sole. The man apparently stuffed the net full of grass and then wriggled his foot into it. Laces on the net then enabled him to tighten the grass

dagger with a flint blade and a woven grass sheath, probably for the dagger, and a wooden frame that probably supported a type of rucksack. The man had an unfinished longbow, which at 1.8 meters long was about 20 centimeters taller than he was, and a leather quiver in which he carried two arrows with arrowheads and feathers attached, 12 unfinished arrow shafts, several flint arrowheads and sinew. Sewn into what is thought to be a leather strap for carrying the quiver is a small pouch in which were found a sharpened flintstone, probably for cutting grass, a small drill-like piece of flint, a slender bone tool, probably for making holes in leather, and an unidentified black mass. With such an array of tools, the man presumably expected to be away from home for some time. Also of great interest were two mushrooms, each on a leather strap, and first thought to be kindling, Reinhold Pöder, a microbiologist at the University of Innsbruck who has studied one of the mushrooms, *Piptoporus betulinus*, said it was of a kind whose antibiotic effects had been recognized for at least 2,000 years. Though the cause of death has yet to be determined, most archaeologists and scientists think the man froze to death in a sudden snowstorm. In Innsbruck, where the body is being kept at conditions simulating those inside a glacier, research has been delayed because of a dispute over its ownership. Though the site was first believed to be in Austria, surveys found that it was just inside the Italian province of South Tyrol. Other tools found near the man were a

Pornography and Violence: Jury's Still Out

By Wendy Melillo  
Washington Post Service

WASHINGTON — The camera focuses on the couple in bed, having sex. Picking up a white silk scarf, the woman slowly ties the man's hands to the headboard. As he achieves orgasm, she stabs him repeatedly with an ice pick. Flots mixing sex with violent death — once the domain of a small number of X-rated movies known as "snuff" films — are now a routine part of what Hollywood offers. Some argue that this stabbing scene, from the R-rated movie "Basic Instinct," is pornographic and has no business being so easily accessible. Conservatives say any explicitly sexual scene, whether it is violent or not, is inappropriate for Americans to watch. Others say censorship of erotic material will only result in dangerous precedents that limit freedom of choice. They argue that graphic sexual scenes reflect the real lives of many people. At the heart of the debate is whether pornographic material can lead to violent crimes. Religious leaders and conservatives blame pornography for a host of societal ills, from promoting violence to encouraging unusual sex practices such as voyeurism or sexual relations with animals. Joining their argument are many liberal feminists, who say that any images that depict women engaged

in sexual activity are harmful because such graphic displays objectify and degrade all women. On the other side are researchers and social scientists who dispute the link between erotic material and sexual assaults. They are joined by those in the pornography industry — publishers, owners of adult video and book stores — who turn to First Amendment rights for adults, arguing that what Americans do in their own privacy is no one else's business. Currently, it is illegal to produce or distribute any film in the United States that shows children or teenagers under 18 engaged in sexual acts. Other pornography is legal if it has not been declared obscene by the local community. Last year, Americans rented 410 million adult tapes, an increase of 15 million from 1989, according to a study by Adult Video News. Pornography is still stereotypically associated with male customers, but in reality the demographics are changing. The study found that nearly half of those renting adult films were either individual women or women accompanying men. Women no longer have to go to an adult store located in a part of town that makes them uncomfortable, said Sandra S. Cole, president of the American Association of Sex Educators, Counselors and Therapists. "Now you can go to your local shopping mall with your kids in tow, leave them in the Disney section and rent an adult tape with your head held high." Legislation, introduced in Congress last

year by Senator Mitch McConnell, Republican of Kentucky, would allow victims of a sexual crime to recover damages from "commercial producers, distributors, exhibitors, and sellers of obscene and child pornographic material" if they prove that the pornographic material "was a substantial cause of the offense." The proposal has been passed by the Senate Judiciary Committee and is expected to be considered by the full Senate before the end of the year. Meanwhile, across the United States, battles are being waged in communities where conservative groups seek to limit the public's access to pornographic material. One of the leaders in these fights, the American Family Association, a Mississippi-based pro-family organization, works with local attorneys to file lawsuits against pornographic material that it believes should be declared obscene. "Our perspective is pornography is a destructive medium," said Donald E. Wildmon, the group's president. "It is not love, but sex and violence. If you look at these materials, the woman is an object to be used and discarded after you get through with her." The issue has sparked a great deal of interest among social scientists. Marcia Pally, a social science researcher in New York in "Sense & Censorship: The Vanity of Bonfires," her review of sexually explicit and violent material, says violence in sexually explicit material has decreased since 1970. Sexually explicit violence is also a very small part of the script of most adult films. Her book cites a 1990 study analyzing the

content of current adult films, which found that in videos depicting explicit pornography, sexual behavior accounted for 41 percent of all scenarios presented, while sexual violence accounted for 4.73 percent and non-sexual violence for 4.73 percent. The authors, Ni Yang and Daniel Linz at the University of California at Santa Barbara, reviewed R-rated videos and found that sexual behavior was depicted in 4.59 percent of the scenes, while sexual violence made up 3.27 percent and nonsexual violence 3.5 percent. The general consensus among these researchers is that sexual images do not cause sexual crimes and that pornography is only a small source of violent scenes in the film media. THE subject of pornography and violence also has received considerable scrutiny in other countries. Commissioners in Britain, Canada and Denmark investigated the effects of sexually explicit material and found no link to violence. In countries where pornography is legalized, the crime rates for rape and sex offenses have actually decreased, according to a Danish report. A study of reported rape cases from 1964 to 1984 in four countries — Denmark, Sweden, West Germany and the United States — found that the country that reported increases in rape incidents was the United States, where local obscenity laws can be much stricter.

IN BRIEF

**Job-Related Stresses Increase VDT Injuries**  
WASHINGTON (WP) — If you sit up straight at your terminal, keep your bifocals high up on your nose and use one of those cushions to protect your wrists, you can still get hurt using a computer. That was the conclusion of a study by the National Institute of Occupational Safety and Health, which found new evidence that mental stress contributes to the epidemic of repetitive motion injuries — the back, neck, wrist and shoulder aches — that threaten workers who use video display terminals. The study, conducted at the request of regional phone company US West Inc. and the Communications Workers of America, showed that psychological factors, such as worries over job security, excessive work demands or the pressures of electronic monitoring, where every move is checked by management, caused job-related injuries even when the employer took precautions to protect the worker.

**Horn-Growing 'Gene' In Cattle Is Found**  
CANNBERRA (Reuters) — Scientists have found the gene that determines whether cat-

tle will grow horns, making it possible to breed more hornless cattle, prized because they do not damage each other in transit and so fetch higher prices. "We've found an identifying mark, not in the gene but next to it, which tells us whether or not the animal will have offspring with horns," said Jay Hetzel, a scientist with the Australian government's Commonwealth Scientific Industrial Research Organization. He said horns cut income because of the damage done to carcasses and had no influence on the weight of cattle.

**Another Antihistamine Linked to Heart Problems**  
WASHINGTON (AP) — Another prescription antihistamine has been found to cause cardiovascular problems in patients who took more than the recommended dose, the U.S. Food and Drug Administration has warned. The FDA cited "rare cases" of death, cardiac arrest or irregular heartbeats in patients taking more than 10 milligrams a day of Hismanal, or astemizole, a non-sedating antihistamine used for treating hives and seasonal allergies. The warning follows last month's alert on the dangers of Seldane, a prescription anti-

histamine that is popular because it does not cause drowsiness.

**Scientists Piece Together 'Afterglow' of Solar Flares**  
WASHINGTON (WP) — Astronomers have fit another piece into the puzzle of solar flares, the sudden bursts of energy that occur on the surface of the Sun and sometimes produce magnetic storms on Earth, NASA officials said. Observations from the orbiting Compton Gamma Ray Observatory showed that gamma rays are released during these events in a previously undetected and surprisingly prolonged "afterglow" effect, said Stephen Maran, a senior staff scientist at the Goddard Space Flight Center in Greenbelt, Maryland. Gamma rays, an extremely high-energy form of radiation, are produced by collisions between high-speed protons and other components of solar gases. Until the recent findings, it was assumed that this effect could not last for more than a few minutes, Dr. Maran said. But the Compton data showed that the afterglow of one 1991 flare lasted nearly five hours. The observations suggest that during a flare, some of the gamma-ray-producing pro-

tons apparently get trapped in solar magnetic fields. As they gradually escape over an extended period, they strike other particles, thus producing a prolonged afterglow effect.

**Surface Temperature Rise Increases Level of Pacific**  
WASHINGTON (WP) — Increases in the surface temperature of the Pacific Ocean off the coast of Southern California have swelled the volume of the water enough to raise sea level there more than an inch since 1950, according to a report in the current issue of Science. Sea levels appear to be rising around the globe, at an average of about 2.4 millimeters (one-tenth of an inch) per year. But researchers have not known how much is due to thermal expansion of the water, shifts in the shape of the sea floor or the addition of water to the world's oceans from glacial melting, said Dean Roemmich of the Scripps Institution of Oceanography, who wrote the article. Mr. Roemmich found that over a 42-year period, a 1.4-degree Fahrenheit increase in temperature of the ocean surface off California, to a depth of 90 meters (300 feet) had expanded the water volume.

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+ Belgium	078-11-0014	+ Korea	009-16
+ Bermuda	1-800-623-0877	+ Liechtenstein	155-9777
Brazil	000-8016	+ Malaysia	800-0016
+ Canada	1-800-877-8000	+ Monaco	1930087
Chile	0050317	+ Netherlands	065022-9119
Colombia-English	980-13-0010	+ New Zealand	000-999
Colombia-Spanish	980-13-0110	+ Norway	050-12-877
+ Costa Rica	163	+ Peru	196
+ Denmark	8001-0877	Portugal	05017-1-877
+ Dominican Republic	1-800-751-7877	+ Puerto Rico	1-800-877-8000
Ecuador	171	+ San Marino	172-1877
+ El Salvador	191	+ Singapore	800-0877
+ Finland	9800-1-0284	Spain	900-99-0013
+ France	1930087	+ Sweden	020-799-011
+ Germany	0130-0013	+ Switzerland	155-9777
+ Guatemala	195	Taiwan	0080-14-0877
Hong Kong	008-1877	+ Thailand	001-999-13-877
+ Hungary	00800-01-877	United Kingdom	0800-89-0877
Indonesia	00-801-15	+ Vatican City	172-1877
Ireland	1-800-55-2001	Venezuela-English	800-1111-0
+ Israel	177-102-2727	Venezuela-Spanish	800-1111-1
+ Italy	172-1877		

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# NYSE

## Wednesday's Closing

Tables include the national closing up to the closing on Wall Street and do not reflect late trading elsewhere. Via The Associated Press.

NYSE Composite Index: 2,814.12 (+10.12)

Dow Jones Industrial Average: 2,814.12 (+10.12)

S&P 500: 2,814.12 (+10.12)

NASDAQ Composite: 2,814.12 (+10.12)

NYSE Volume: 2,814.12 (+10.12)

NYSE Value: 2,814.12 (+10.12)

NYSE Transactions: 2,814.12 (+10.12)

NYSE Market Cap: 2,814.12 (+10.12)

NYSE Dividend Yield: 2,814.12 (+10.12)

NYSE P/E Ratio: 2,814.12 (+10.12)

NYSE Beta: 2,814.12 (+10.12)

NYSE Volatility: 2,814.12 (+10.12)

NYSE Correlation: 2,814.12 (+10.12)

NYSE Liquidity: 2,814.12 (+10.12)

NYSE Leverage: 2,814.12 (+10.12)

NYSE Risk: 2,814.12 (+10.12)

NYSE Return: 2,814.12 (+10.12)

NYSE Growth: 2,814.12 (+10.12)

NYSE Profitability: 2,814.12 (+10.12)

NYSE Efficiency: 2,814.12 (+10.12)

NYSE Innovation: 2,814.12 (+10.12)

NYSE Sustainability: 2,814.12 (+10.12)

NYSE Resilience: 2,814.12 (+10.12)

NYSE Adaptability: 2,814.12 (+10.12)

NYSE Flexibility: 2,814.12 (+10.12)

NYSE Scalability: 2,814.12 (+10.12)

NYSE Portability: 2,814.12 (+10.12)

NYSE Interoperability: 2,814.12 (+10.12)

NYSE Compatibility: 2,814.12 (+10.12)

NYSE Reliability: 2,814.12 (+10.12)

NYSE Availability: 2,814.12 (+10.12)

NYSE Security: 2,814.12 (+10.12)

NYSE Integrity: 2,814.12 (+10.12)

NYSE Transparency: 2,814.12 (+10.12)

NYSE Accountability: 2,814.12 (+10.12)

NYSE Responsibility: 2,814.12 (+10.12)

NYSE Ethicality: 2,814.12 (+10.12)

NYSE Legitimacy: 2,814.12 (+10.12)

NYSE Credibility: 2,814.12 (+10.12)

NYSE Trustworthiness: 2,814.12 (+10.12)

NYSE Honesty: 2,814.12 (+10.12)

NYSE Fairness: 2,814.12 (+10.12)

NYSE Justice: 2,814.12 (+10.12)

NYSE Equity: 2,814.12 (+10.12)

NYSE Balance: 2,814.12 (+10.12)

NYSE Proportionality: 2,814.12 (+10.12)

NYSE Reasonableness: 2,814.12 (+10.12)

NYSE Moderation: 2,814.12 (+10.12)

NYSE Restraint: 2,814.12 (+10.12)

NYSE Self-control: 2,814.12 (+10.12)

NYSE Discipline: 2,814.12 (+10.12)

NYSE Orderliness: 2,814.12 (+10.12)

NYSE Neatness: 2,814.12 (+10.12)

NYSE Tidiness: 2,814.12 (+10.12)

NYSE Cleanliness: 2,814.12 (+10.12)

NYSE Hygiene: 2,814.12 (+10.12)

NYSE Healthiness: 2,814.12 (+10.12)

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Symbol	Price	% Change
IBM	115.12	+0.12
Microsoft	105.12	+0.12
Apple	100.12	+0.12
Oracle	95.12	+0.12
Sun	90.12	+0.12
HP	85.12	+0.12
Motorola	80.12	+0.12
Intel	75.12	+0.12
AMD	70.12	+0.12
NVIDIA	65.12	+0.12
ATI	60.12	+0.12
3Com	55.12	+0.12
Logitech	50.12	+0.12
Perceptics	45.12	+0.12
Viewpoint	40.12	+0.12
3Phase	35.12	+0.12
3M	30.12	+0.12
Eastman	25.12	+0.12
Amgen	20.12	+0.12
Genentech	15.12	+0.12
Novartis	10.12	+0.12
Pfizer	5.12	+0.12
Merck	4.12	+0.12
Roche	3.12	+0.12
Schering	2.12	+0.12
Abbott	1.12	+0.12
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INTERNATIONAL MANAGER

Standard Chartered Aims To Return to Asian Roots

By Erik Ipsen

International Herald Tribune

LONDON — With the bulk of its assets far from the recession-ravaged shores of Britain...

But Indian woes suggest that far-flung concern resists London's control.

"India came as a very hard shock, as we felt at last we had gotten our house in order," said Malcolm Williamson...

With 28,000 employees scattered liberally across 50 different countries, and with the bulk of the earnings coming not from its London base...

It also has long been accident prone. Mr. Williamson, who joined the bank three years ago, refers to its propensity for slipping on "banana skins..."

Officially, the bank was run on a loose federal style. In practice it meant a series of fiefdoms that barely acknowledged each other...

Today, more control is being exerted from London, and crucially the bank has returned to its core strengths. Once again an investment in Standard Chartered is largely a bet on the fast-growing markets of the Asia-Pacific region...

The new management also has shied from straight commercial lending in favor of such high volume, fast turnover business as trade finance and correspondent banking...

Meanwhile, the bank has reduced its once life-threatening developing country debt to a manageable \$589 million from a peak of \$1.7 billion in 1987...

Standard Chartered, with assets of £23 billion, posted pretax See BANK, Page 11

Stocks Hit Equity Markets Take Another Tumble

By Lawrence Malkin

New York Times Service

Stocks Hit New Low In Tokyo

Concerns Deepen Over Recovery

By Steven Brull

International Herald Tribune

TOKYO — Growing pessimism over the prospects of Japanese economic recovery along with fears of contagion from this week's slide on European bourses sent Tokyo stocks reeling again on Wednesday...

The weakness in stocks and the economy drove interest rates lower, pushing prices of Japanese bonds to a 33-month high.

Despite the magnitude of the latest tailspin, investors have become so used to the stock market's roller-coaster ride that fears of a derailment of the nation's financial system have largely been forgotten.

"The decline is being met with resignation," said Alan Bell, deputy head of research at Baring Securities (Japan) Ltd. "There have been so many days like this that people are beyond being panicked."

Wednesday's decline shaved 460.46 points, or 2.9 percent, from the Nikkei index. It closed at 15,541.95, a six-year low. The index has lost about 9 percent over the last week and now stands 60 percent below its December 1989 peak.

The growing gloom reflects a Bank of Japan report Tuesday that said bloated inventories were being worked off more slowly than expected and that money supply would grow a slow 1.0 percent in the July-September quarter.

Researchers also have been lowering estimates of corporate profits for the first half of the financial year, which ends Sept. 31. Masaru Takagi, chief economist of Fuji Research Institute, said average profits would decline 8 percent, several percentage points worse than its previous forecast.

Last week's increase in Germany's discount rate also has worried Japanese about the prospect of a global decline in equity markets, such as occurred on Monday and to a lesser extent on Wednesday.

"We're afraid of a crash in worldwide markets, especially in Europe," Mr. Takagi said.

Nonetheless, there is little panic in Kabutocho, the Tokyo district that is home to Japan's securities industry.

One reason is that despite severe pressures on financial institutions, fears of a capital crisis are lessening. Although at current market levels many major banks are below the capital-adequacy ratios mandated by the Bank for International Settlements, the Ministry of Finance has eased restrictions on the issuance of subordinated debentures without a fixed redemption date. This will help banks meet their BIS ratios by the deadline of March 31, 1993.

Sakura Bank is expected to be the first to issue such bonds, with plans to raise \$800 million in the Eurodollar market in August.

Further relief is also on the way. Although the governor of the Bank See TOKYO, Page 11

NEW YORK — The world's stock markets bumped down Wednesday in a closely linked show of economic pessimism. Although many technical factors and crosscurrents buffered prices, the bottom line was the outlook for lower company profits.

Frankfurt's DAX index fell 1.9 percent. London was in the grip of bears and Paris dropped to its lowest level since the year. Stock prices also lost ground in nervous dealing in Spain, where the central bank raised interest rates, and in Zurich, Brussels, Italy and Amsterdam.

Those declines followed a 2.9 percent drop in the Nikkei average in Tokyo. In New York, stocks drifted lower, echoing the weak markets abroad, with the Dow Jones industrial average dropping 30.80 points, to 3,277.61. (Page 10)

A second day of congressional testimony by the Federal Reserve Board chairman, Alan Greenspan, mainly repeated Tuesday's points and had little effect on stock markets.

But under questioning, Mr. Greenspan focused on the Fed's commitment to bring down inflation, and that delighted the Treasury bond market, where prices firmed. Another factor was a movement by investors from weakening stocks into bonds.

Once again, Mr. Greenspan was asked about the dollar and replied that he saw "no net benefit to the U.S. economy from further depreciation of the dollar." He added that it was not the Fed's policy to maintain the dollar at a certain level, although the central bank did take the exchange rate into account when setting monetary policy.

Throughout all this, the foreign exchange markets remained relatively calm, although the yen was sold off after the stock slide in Tokyo, temporarily supporting the dollar. On Wall Street, analysts were beginning to talk about the end of the long bull market and focused on a drop in the Dow to about 3,100 to 3,200, which could mean a drop of almost 10 percent from the year's top.

"I don't see anything that will get this market going on the upside," said Dick Stein of MKI Securities. "In addition to news of other market declines, trading was buffeted by rumors ranging from talk of military action against Iraq to stories that President George Bush would strengthen his re-election chances by dropping Vice President Dan Quayle from the ticket."

But analysts agreed that Wall Street was probably heading into the long-awaited correction after the bull market of this year, which had been driven largely by falling interest rates. Why doesn't the drop come in one swift thud?

Robert Walberg, senior equity strategist of MMS International, explained that 80 percent of stocks are in the hands of pension and fund managers, and they cannot just sit on cash but must appear to be active to earn their keep. "Rates are lower, so fund managers have nowhere else to go," he said.

"Each time the market goes down, they jump into what they think are bargain stocks, which puts a floor under the market," he said.

"We think the market is going to settle at a Dow of about

3,180, so when they look back at the end of the year, they will wake up to their losses and would have been better off putting their money in Treasury bills at 3 percent — but that is what is cushioning the slide."

In Frankfurt, the DAX index fell 31.55 points, to 1,628.22, its lowest close since Jan. 16. The index has fallen 6.5 percent since the Bundesbank reaffirmed its tight money stance last week, and the prospect of continued high rates kept pushing down stocks.

London stocks were driven close to their 1992 lows by weak retail and trade figures. The Financial Times-Stock Exchange 100-share index closed 27.7 points lower, at 2,387.9.

On the Paris Bourse, the CAC-40 index fell 35.18 points, to 1,727.49.

Brendan Brown of Mitsubishi Finance in London said the realization had dawned worldwide that "virtually every country will have a half-speed recovery," which he attributed partly to a 30 percent decline in construction spending almost everywhere but Germany, reflecting the commercial real estate glut.

Gilbert de Botton of Global Asset Management in London was more sanguine, at least in the middle distance, because, he said, "Interest rates will have to come down, either slowly because the authorities have done their job or with a bump because economic conditions will become worse. When they start to go up, it won't be as damaging as the down cycle," he said, "because it will be part of an overall economic improvement, and that's when things will start looking better."

BA Deal Brings Global Airline Closer to Takeoff

Compiled by Our Staff From Dispatches

LONDON — British Airways PLC's new link with US Airways Inc. brings the much-discussed concept of global airlines closer to reality, although the deal is likely to have little immediate impact on the British carrier's earnings, airline analysts said Wednesday.

BA announced on Tuesday that it was buying a 21 percent voting stake in USAir, the fifth-biggest U.S. airline with an extensive network in the eastern states, for \$750 million.

"BA is buying a ticket to the global airline ball," said Richard Hannah, an analyst at UBS Phillips & Drew. "Global airlines are going to emerge in the next 10 years and, unless you are in a position to go global, you are going to miss it."

The British Airways deal comes as KLM Royal Dutch Airlines, whose merger negotiations with BA broke down in February, is forging closer links with Northwest Airlines Inc., the fourth-largest U.S. carrier, in which it already has a stake.

Through minority shareholdings, the better capitalized and predominantly long-haul European airlines are seeking to lock into the extensive domestic route networks of their more debt-laden U.S. partners to mutual advantage.

U.S. law prevents foreigners from owning more than 25 percent of the voting rights in a U.S. airline, but if the BA-USAir and KLM-Northwest partnerships can combine schedules and marketing closely enough, they may create the illusion and reap the cost benefits of being single entities. "The long-term game is to get the passengers to think they're flying all the way on one airline," one analyst said.

British Airways and USAir have set up an integration committee to achieve this, and BA will have four members

U.K. Caps Spending

Compiled by Our Staff From Dispatches

LONDON — Prime Minister John Major set a radical program Wednesday to cap government spending as Britain struggled to emerge from recession.

The Conservative government effectively ordered substantial cuts in state spending in 1993 and 1994 and said future rises depended on economic growth. Data released Wednesday indicated the recession would persist. (Page 11)

A ceiling on public expenditure, set at £244.5 billion (\$467 billion) for next year, would not rise by £14 billion as requested by some ministers, a government spokesman said.

Meanwhile in Brussels, the EC Commission said Britain would retain its right to a rebate on contributions to the European Community. (Reuters, AFP)

on USAir's 16-strong board, giving it an effective management veto, said Niall Baird at County Natwest.

Northwest and KLM are planning a new partnership that would allow passengers to book flights between any U.S. city and KLM destination.

"BA-USAir and KLM-Northwest are getting into position to be able to push the button and go one step further in future," Mr. Hannah said.

Clive Anderson, analyst at Smith New Court, said USAir was likely to grab more immediate benefit from the

link with British Airways. USAir will get the benefit of being able to market BA links and destinations with its own ticket sales, and is expected to get access to some of BA's sophisticated computer software.

British Airways should see no quick impact on earnings, as USAir continues to lose money. But the deal could add £100 million (\$190 million) a year to pretax profit "possibly within two to three years," assuming USAir returns to profitability, said Tim Coombes of County Natwest.

Some analysts said BA may have rushed into the partnership with USAir on a rebound from the failure to reach an agreement with KLM.

Analysts said negotiations had been taking place between USAir and Luftansa, which some said were at an advanced stage. USAir signed a cooperation agreement with Air France in 1990, but it never became effective and is expected to be a casualty of the deal with British Airways, an Air France rival.

Now that it has an entry to the U.S. domestic market, which makes up 40 percent of the world's air travel, British Airways must turn its attention to the Asia-Pacific region, which Lord King, its chairman, has identified as a priority.

Mr. Anderson said BA's enhanced strength as a result of the USAir tie-up will give it greater muscle during discussions with the strongest Asian carriers.

BA also might be in a good position to consolidate USAir's position by buying routes and airport slots from troubled Trans World Airlines, which has been operating under U.S. bankruptcy protection since January, analysts said.

Some analysts said concerns that other deals might stretch British Airways' finances depressed its shares, which fell 12 pence, to 256. (Reuters, AFP, AFX)

Visa and American Express in Olympic Rematch

Compiled by Our Staff From Dispatches

BARCELONA — Visa and American Express have taken up in Barcelona where they left off in Albertville, France: trading charges of misleading advertising and "ambush marketing."

The issue was stirred up again Tuesday by Richard W. Pound, the top marketing official of the International Olympic Committee, who said the IOC was considering legal action against American Express Co.

Mr. Pound defended Visa International, one of the 12 official worldwide sponsors of the 1992 Olympics. The sponsoring companies have paid a total of \$170 million for exclusive Olympic-related advertising rights. Visa's ads say, "They don't take American Express at the Olympics."

American Express, which is not an official sponsor, recently launched its own commercials, noting that its card is accepted at 40,000 locations in Barcelona. The commercials say, "Remember, to visit Spain, you don't need a visa."

From our perspective, they are taking value from the Olympic movement without making any contribution to it,"

Mr. Pound said. "From our point of view, that is wrong and probably actionable."

Mr. Pound said he had not seen the American Express commercials, "but from what I've heard, there's not the slightest doubt it is an ambush." He said there had been a tacit agreement that Visa would stop comparative advertising in 1993 if American Express stopped ambush marketing. Ambush marketing describes the use by a company of an event with which it has no association to attract business.

"American Express has continued to ambush us," Mr. Pound said. "As far as I'm concerned, that's back on the table. We'll have to think about it."

Ken Chenualt, president of American Express Consumer Card Group, denied that American Express was ambushing the Olympics, whose symbols and logos, including the five Olympic rings, are protected by copyright.

"Visa picked this fight by being the only sponsor to use the Olympic rings to bash a competitor," Mr. Chenualt said. "As soon as we hit back, they cry foul."

In New York, an American Express spokesman, Frank

Vaccaro, said it was "irresponsible" for Mr. Pound to comment on a commercial he had not seen.

"Visa is the only Olympic sponsor to attack a competitor," he said. "Their ads are clearly misleading people into thinking they can't use the American Express card during the Games. We didn't start this fight, but we're not going to back down," Mr. Vaccaro said.

The exchange came as Mr. Pound announced that the IOC had reached a preliminary agreement with Visa to continue its sponsorship from 1993 to 1996. The accord must be ratified by Visa International's board of directors.

Mr. Pound's remarks were the latest shot in a war of words involving the IOC, Visa and American Express that first erupted at the Winter Games in February.

At that time, the French organizing committee of the Winter Games won a court injunction ordering American Express not to use the five Olympic rings in its advertising. Visa had paid \$20 million for the rights to call itself an official sponsor. (AP, Reuters)

CURRENCY RATES

Table with columns for City, Currency, and Rate. Includes Amsterdam, Brussels, Frankfurt, London, Madrid, New York, Paris, Tokyo, Zurich, and SDR.

Changes in Amsterdam, London and Zurich. Rates in other centers; New York closing rates and Treasury rates at 3 p.m.

Other Dollar Values

Table with columns for Currency, Per \$, and Rate. Includes Argentine peso, Australian dollar, Canadian dollar, etc.

Forward Rates

Table with columns for Currency, 30-day, 60-day, 90-day, and 360-day rates.

Sources: NAB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Caisse d'Epargne (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Table with columns for Term, Dollar, D-Mark, Swiss, and Rate.

Sources: All banks except ECU: Lyons Bank. Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Key Money Rates

Table with columns for Instrument, Rate, and Date.

Asian Dollar Deposits

Table with columns for Term, Rate, and Source.

U.S. Money Market Funds

Table with columns for Fund Name, Yield, and Source.

GOLD

Table with columns for Location, Price, and Date.

Sources: Reuters, Standard & Poor's Bank of Tokyo, Commodity Research Institute.

Upjohn Jumps on New AIDS Drug

KALAMAZOO, Michigan — Upjohn Co. said Wednesday it has synthesized a drug that is more potent in blocking growth of the virus that causes AIDS than currently approved drugs.

The announcement, made at the international AIDS conference in the Netherlands and released at Upjohn headquarters here, sent the company's stock climbing sharply. The shares rose \$1.50, to \$33.75, in active trading on the New York Stock Exchange.

The new drug, known as BHAP-E, is planned to start trials on healthy patients in September, the company said. It will then have to go through trials among patients with the disease before Upjohn may seek approval by the Food and Drug Administration, an Upjohn spokeswoman said.

The time span between the initial trials and FDA approval varies considerably from drug to drug, but sometimes the FDA speeds up the process for AIDS-related drugs, the spokeswoman said.

Upjohn said the drug works by blocking the activity of an essential viral enzyme known as reverse transcriptase.

It said the drug is more potent than currently approved AIDS drugs, such as Zalcitabine (AZT) and DDI, which is made by Bristol-Myers Squibb Co.

Some analysts were skeptical because of the early stage of research and past problems with that class of drugs.

"All I can say is it's in the early days," said Barbara Ryan of Alex. Brown & Sons. "In the test tube it looks like it's better than AZT and DDI, but it hasn't been in humans."

Studies on the compound were done in collaboration with researchers at the University of California and the University of Nebraska Medical Center.

BHAP-E is an analogue of U-87,201E, another Upjohn BHAP compound currently in trials.

Upjohn said the compounds may be useful against drug-resistant strains of HIV, the virus that causes AIDS.

"These laboratory studies on BHAP-E are important in that they show a potential use against drug-resistant strains of HIV," Mr. Mitchell said. (Reuters, AFX)

Advertisement for R.M.S. Queen Mary, featuring an image of the ship and contact information for The Port of Long Beach.

Large advertisement for CORUM watches, featuring an image of a watch and text describing the brand as 'Maitres Artisans d'Horlogerie Suisse'.

MARKET DIARY

Overseas Falls Send Chill to Wall Street

NEW YORK — Stocks turned lower after a brief respite on Tuesday, as some earnings disappointments, renewed dollar weakness and heavy overseas losses battered investor confidence.

Congressional testimony by the Federal Reserve Board chairman, Alan Greenspan, failed to offer so much new information, while renewed speculation about the likelihood of U.S.-led air attacks on Iraq unsettled the market.

The Dow Jones industrial average fell 30.80 points, to 3,277.61, with computer-guided sell orders responsible for about 14 points of the decline, Birmah Associates said.

Declining common stocks led advances by a margin of 9 to 5 on the New York Stock Exchange. Trading was moderate with about 190.13 million shares changing hands, up from 173.8 million on Tuesday.

A rally in Treasury bonds suggested that investors may be swapping out of stocks and into bonds, said Philip Smith, an analyst at Birmah. The 30-year bond rose 1/32 to yield 7.63 percent.

Today's focus was the foreign markets, and there was conjecture about what would happen to Saddam Hussein, said George Pirone, senior trader at Dreyfus Corp.

Tokyo stocks hit a six-year low with the Nikkei shedding 2.88 percent, London shares lost more than 1 percent and German equities eased 1.9 percent.

"We broke a pretty key level," said Robert Walberg, an analyst at MMS International. "That suggested we could go down to 3,254 and to 3,180 before we're done. That should happen in the next month or month-and-a-half."

Herb Cohen, president of Shearson Asset Management, said he believed the decline has been contained. "For two out of the last three days, it looked like it was going to get killed, but it can't seem to gather steam on the downside. The market is being aided by this low-interest-rate structure."

Computer Associates rose 2 1/2 to 13 1/2 after reporting fiscal first-quarter earnings that exceeded analysts' forecasts.

Compaq jumped 3 1/2 to 27 1/2 after the company posted second-quarter earnings of 35 cents a share, up from 23 cents in the prior year, above analysts' forecasts.

Meanwhile, Equitable Life was listed on the New York Stock Exchange in the largest transaction by a mutual insurance company into a listed company. Equitable sold 50 million shares at \$9 a share, while AXA of France converted a \$1 billion investment in the company into a 49 percent equity stake.

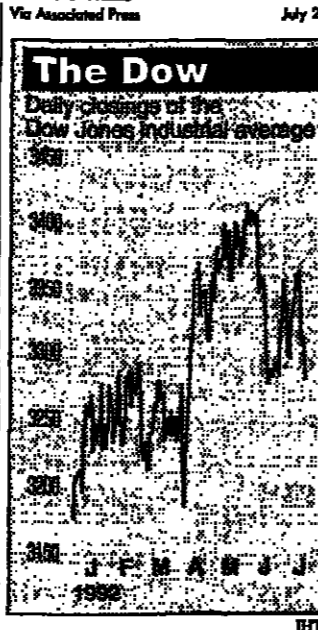
Mr. Greenspan reiterated that he opposed a weakening of the dollar, but said it was not Fed policy to pick a specific level. That left open the question of where the Fed might intervene again.

John Lyman, senior customer dealer at Bank of Tokyo in New York, said "the market is exploring the central banks' threshold of pain on the downside." Still, many dealers said there was reluctance to push the dollar when it neared 1.4825 DM, the highest level at which the Fed intervened Monday.

"There's no reason to think the dollar will appreciate within the next few days," said Kevin Logan, chief economist at Swiss Bank Corp. "Growth is still sluggish and there's been no data to work with."

The dollar also ended at 1.3169 Swiss francs, down from 1.3234 and 5.0225 on Tuesday. The pound, hit by weak British economic data, slipped to \$1.9065 from \$1.9095.

The dollar rose in London earlier to 126.93 yen, up from 125.38 Tuesday, and to 1.4895 DM, from 1.4855. (Reuters, Bloomberg, UPI)



The Dow Jones Industrial Average

July 22

Vol. High Low Last Chg.

NYSE Most Active

AMEX Most Active

NYSE Diary

AMEX Diary

NASDAQ Diary

Advanced Declined Total Issues New Highs New Lows

Advanced Declined Total Issues New Highs New Lows

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Dow Jones Averages

Open High Low Last Chg.

Index 2982.00 2982.00 2977.00 -5.00

Industrials 484.1 484.2 481.2 -3.0

Transp. 209.9 209.9 209.9 0.0

Utilities 125.7 125.7 125.7 0.0

Finance 232.7 232.7 232.7 0.0

SP 18 384.1 384.1 384.1 0.0

NYSE Indexes

Composite 2267.2 2267.2 2261.3 -5.9

Industrials 194.9 194.9 194.9 0.0

Finance 179.8 179.8 179.8 0.0

NASDAQ Indexes

Composite 4824.1 4824.1 4824.1 0.0

Industrials 4824.1 4824.1 4824.1 0.0

Finance 4824.1 4824.1 4824.1 0.0

AMEX Stock Index

High Low Close Chg.

38.83 38.83 38.17 -0.66

Dow Jones Bond Averages

Class Close Chg.

20 Bonds 107.23 107.23 107.23 0.00

18 Utilities 107.23 107.23 107.23 0.00

10 Industrials 107.23 107.23 107.23 0.00

Market Sales

NYSE 4 p.m. volume 190,130,000

NYSE 4 p.m. volume 190,130,000

NASDAQ 4 p.m. volume 143,200,000

AMEX 4 p.m. volume 18,500,000

N.Y.S.E. Odd-Lot Trading

July 21 Buy Sell Short

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EUROPEAN FUTURES

Class High Low Prev. Close

Food

SUGAR (ICE)

Aug 21.10 21.10 21.10 21.10

Oct 21.10 21.10 21.10 21.10

Dec 21.10 21.10 21.10 21.10

Mar 21.10 21.10 21.10 21.10

May 21.10 21.10 21.10 21.10

Aug 21.10 21.10 21.10 21.10

Oct 21.10 21.10 21.10 21.10

Dec 21.10 21.10 21.10 21.10

Mar 21.10 21.10 21.10 21.10

May 21.10 21.10 21.10 21.10

Aug 21.10 21.10 21.10 21.10

Oct 21.10 21.10 21.10 21.10

Dec 21.10 21.10 21.10 21.10

Mar 21.10 21.10 21.10 21.10

May 21.10 21.10 21.10 21.10

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May 21.10 21.10 21.10 21.10

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Mar 21.10 21.10 21.10 21.10

May 21.10 21.10 21.10 21.10

Aug 21.10 21.

# EC Commissioner's Job Plea

Compiled by Our Staff From Dispatches

BRUSSELS — European Commission members should focus efforts on creating jobs rather than meeting tough targets set for the end of the decade, EC Commissioner Vasso Papanandreu said Wednesday.

She also warned that unemployment was expected to rise in all EC member states except Luxembourg this year, climbing to an average 9.5 percent from 8.9 percent in 1991. The jobless rate is expected to stabilize at around 9.7 percent in 1993.

"This year the prospects are not very optimistic," said Ms. Papanandreu, the social affairs commissioner.

Ms. Papanandreu, who is from Greece, said high unemployment "threatens to become a central problem for the Community in the 1990s," following high job creation in the late 1980s.

Leaders of the EC nations agreed at a summit last December in the Dutch town of Maastricht to create an economic and monetary union, with a single currency by 1999.

But Ms. Papanandreu insisted that reaching the targets "cannot be done at the expense of unemployment" and that "the social

## Statistics Cloud British Recovery

Reverses

LONDON — A drop in retail sales and a widening trade deficit announced on Wednesday clouded hopes of a quick end to Britain's recession.

A flicker of life in retail sales after April's general election was doused in June, when retail sales fell by 0.2 percent. In May, they had risen by 0.4 percent. The statistical office also said the current account deficit widened to £722 million (\$1.37 billion) in June from a revised £630 million gap in May.

Although the government is sticking by its forecast of 1 percent growth in 1992, officials privately concede that level is unlikely.

consequences would be disastrous.

To meet the targets, many nations will have to adopt stringent austerity programs, possibly causing high unemployment, Ms. Papanandreu said.

She said she was worried that Germany's policy of high interest rates could dampen prospects of

## EC Clears State Aid For Iberia

By Charles Goldsmith

BRUSSELS — The EC Commission on Wednesday said it had cleared a 120 billion peseta (\$1.25 billion) capital injection for Iberia Air Lines of Spain.

The commission said the cash, to be provided by the Instituto Nacional de Industria, a state-controlled holding company, constituted state aid. But since the aid is accompanied by a wide-ranging, four-year restructuring plan, it is compatible with EC state aid rules, the commission said.

It also said the aid would not distort competition with other airlines in the European Community, because Iberia does not intend to use the cash to expand its European market share.

The capital injection is to be the last by the Spanish government. Most of the money will be used to renew Iberia's aging fleet, partly to meet EC aircraft noise regulations.

Iberia's restructuring plan includes cutting the work force by 3,300, in an effort to increase labor productivity by about 50 percent.

Separately, Iberia on Wednesday forecast a profit of 56 billion pesetas by 1996, when it completes its restructuring plan. The airline posted a net loss of 52 billion pesetas in 1991, mainly because of low labor productivity and the Gulf War.

## EC Demands Nestlé Set Up Competitor

By Charles Goldsmith

BRUSSELS — The EC Commission, acting to create a "third force" in the lucrative French bottled water market, ruled Wednesday that Nestlé SA must sell several popular water brands to a single buyer as a condition for acquiring Source Perrier SA of France.

By requiring that Nestlé sell Vichy, Saint Yorre, Thonon, Pival and a number of other, unidentified brands to a single company with sufficient resources to promote them aggressively, the EC Commission said it would prevent Nestlé and BSN SA of France from jointly dominating the French mineral water market.

BSN is currently the biggest French water company, with brands such as Evian. It supported Nestlé's bid for Perrier by agreeing to buy the latter's Volvic brand if the deal went through.

Such a third company, officials said, would undoubtedly also become a major player in other markets throughout Europe. The officials refused to comment on whether they had a specific purchaser in mind.

"The commitments that Nestlé has made will ensure that both Nestlé and BSN will face an effective competitor with a substantial share of the French market," said Sir Leon Brittan, the EC competition commissioner. "This will assure a third force."

The Commission has ordered divestiture in several previous cases under its two-year-old merger law, in order to dilute a dominant com-

## EC Demands Nestlé Set Up Competitor

By Charles Goldsmith

pany's market share, but the Nestlé-Perrier case marked the first time that officials used their considerable powers to try to forge a strong new entity by requiring that various brands be sold to a solitary buyer.

Critics of the Commission's approach said it imposed an industrial policy on the French bottled water market, disguised as competition vigilance. But the Commission defended its solution as the only effective way to prevent Nestlé and BSN from enjoying a "duopoly" in the French market.

"If we had ordered Nestlé to sell off the brands to eight or 10 different companies, none of them would have made a dent in the French market because massive advertising and financial resources will be required," an EC official said.

In addition to the four named brands, Nestlé must sell "a number of other water sources" to the single buyer. Taken together, all the water brands divested by Nestlé amount to a capacity of 3 billion liters a year, which represents about 20 percent of the combined capacity of Nestlé, Perrier and BSN.

In order to avoid the appearance of a desperate fire sale and protect the selling price of the brands that Nestlé must sell, the Commission granted the Swiss company's request that neither the length of the selling time period nor the names of several brands be disclosed.

Nestlé strongly disagreed with the Commission's conclusion that BSN and Nestlé would jointly control the French market, but agreed to the EC's conditions as "the best solution that we could achieve."

## Investor's Europe

Exchange	Index	Wednesday Close	Prev. Close	% Change
Frankfurt DAX	1992	116.50	117.60	-0.94
London FTSE 100 Index	1992	5,723.64	5,809.32	-1.47
Paris CAC 40	1992	1,628.22	1,659.77	-1.90
Amsterdam CBS Trend	1992	649.04	656.32	-1.11
Brussels Stock Index	1992	714.89	714.31	+0.08
Frankfurt FAZ	1992	1,903.00	1,831.00	-1.53
Helsinki HEX	1992	2,387.90	2,415.60	-1.15
London Financial Times 30	1992	216.10	219.30	-1.46
Madrid General Index	1992	798.00	808.00	-1.11
Milan MIB	1992	1,727.48	1,782.67	-2.00
Paris CAC 40	1992	947.83	962.47	-1.52
Stockholm Affarsveiden	1992	282.02	285.64	-0.94
Vienna Stock Index	1992	807.10	816.00	-1.44
Zurich SBS	1992			

Sources: Reuters, AFP. International Herald Tribune

## Very briefly:

- Giancarlo Parretti, the Italian financier, was indicted by a Delaware grand jury on charges of perjury and tampering with evidence during the trial in which he lost control of MGM studios.
- British Coal said its pretax profit more than doubled in the year ended in March, to £170 million (\$323 million) from £78 million a year earlier, but the state-owned company said its future was uncertain until it reached new contracts with major customers.
- France has the highest rate of corporate failures in the developed world, Banque Nationale de Paris said. 1.64 percent of French companies failed in 1991, compared with 0.9 percent in Britain, 0.5 percent in the United States and 0.4 percent in Germany.
- Caves Byrrh of France, a unit of Pernod-Ricard SA, said it has won a contract to export three million liters (793,000 gallons) of vodka to Russia in August and September.
- Hungary and Tatarstan, an autonomous region in Russia, signed a five-year agreement calling for Budapest to buy two million tons of oil a year, beginning in 1993.
- President Carlos Salinas de Gortari of Mexico addressed the governing council of the Organization for Economic Cooperation and Development on Wednesday to push his country's case for OECD membership.
- Heinz Duerr, chairman of Germany's state-run railroads, said parts of the rail system could be privatized within three or four years.
- Agip Petrol SA said it will invest more than 100 billion lire (\$87 million) in the Czech republic to set up a new gasoline distribution network and to build a hotel complex in Prague.
- FSM, the Polish car factory that is about to be taken over by Fiat SpA of Italy, had its staff walk out on Wednesday to back demands for higher pay, halting production of Fiat's Cinquecento minicar.

## Siemens to Refit Russian Reactors

The Associated Press

BERLIN — Siemens AG said Wednesday it would form consortiums in Russia to improve safety at Soviet-designed nuclear power plants.

The deals are partly a result of plans announced at the Group of Seven summit meetings in early July for the West to help avoid a repetition of the 1986 Chernobyl disaster.

The Siemens power-plant division, called KWU, will establish joint ventures with Russian scientific and official organizations to transplant nuclear technology to Soviet-designed pressurized-water reactors.

The aim is to incorporate as much Russian technology as possible, with the goal of 70 percent Russian content, Siemens said.

The program will deal with conventional power plants as well as the pressurized-water reactors, it said, but not Chernobyl-style reactors, which the West regards as most dangerous. Germany and other European countries have called for closing the Chernobyl-style plants, which do not have effective containment buildings. There are 15 Chernobyl-style reactors re-

## Buyback by Argentina

By Charles Goldsmith

The Argentine government has signed an agreement with Iberia to buy back 33 percent of Aerolineas Argentinas, the Associated Press reported from Buenos Aires.

The airline was privatized in November 1990.

The economics minister, Domingo Cavallo, said Tuesday that the state was "substituting Iberia's Argentine partners who were unable to contribute a larger share of capital."

The airline's capital will be increased by \$21.7 million initially and a further \$145 million later.

Iberia will retain a 30 percent share in the airline; the Spanish bank Banesto, Santander and Hispanoamerica, 19 percent, and a group of Argentine investors, 8 percent.

The state will also manage a 10 percent stake that.

## Budget Shakes Madrid Markets

Reuters

MADRID — The Madrid bourse reacted to the government's deficit-reduction package Wednesday by dropping about 1.5 percent to a yearly low, while the peseta held steady on expectations of firm interest rates.

The government's package also received a cool reaction from the economists, who agreed that the measures came too late.

Prime Minister Felipe Gonzalez said Wednesday that austerity measures would continue regardless of electoral constraints. General elections are due by next year.

Only last October the government was still expecting 3.3 percent growth this year. Some economists believe growth could be negative in the second half.

## BANK: Standard Chartered Tries to Regain Its Grip

(Continued from page 1)

profit of £205 million in 1991. Morgan Stanley & Co., which has a buy recommendation on the shares, predicted profit would grow to £241 million this year and £340 million in 1993.

Standard Chartered won knos for orchestrating the workout of Brent Walker Group PLC last year. The bank's exposure to Isocoles PLC, the troubled leveraged buyout of a British grocery store chain, continues to depress its shares as do doubts over the adequacy of its provision for its India exposure.

More troubling, analysts say, is that the India exposure points up the fact that Standard Chartered,

## Euro Disneyland Trims Back Some Prices at Hotels

Bloomberg Business News

PARIS — Euro Disneyland has reduced room prices at some hotels, a spokesman said Wednesday.

At the end of June, the cheapest room rates were cut to 550 French francs (\$109) from 750 francs. The spokesman said the reduction was not publicized.

Paul Statterly, hotel analyst at Kleinwort Benson Securities, said the park's hotel prices are "exorbitant" compared with Paris.

It would cost about \$800 each for two adults flying from London to Paris, with a park ticket for two days and with two nights in the cheapest Euro Disneyland hotel. A similar package in a Paris hotel would cost about half, he estimated, adding that "with trans-Atlantic air fares and Florida motel prices what they are, it's just as cheap to visit Disney World in Orlando."

## TOKYO: Stocks Hit 6-Year Low

(Continued from page 1)

of Japan, Yasushi Mieno, threw cold water Wednesday on calls for another cut in the discount rate, the 3.75 percent level is widely expected to be trimmed by another half point in the next two months.

In addition, the government is reading a supplementary budget for this summer that will give the economy a fiscal jolt with public works spending worth as much as 7 trillion yen (\$55.9 billion).

Moreover, many investors who have abandoned the stock market are enjoying gains in the bond market, which is roving to heights not seen since August of 1989. The government bond futures contract for September delivery, currently the most actively traded contract, closed up 0.38 at 104.35 on Wednesday, the highest close for an active contract this year. The yield on the benchmark No. 129 government bond fell to 5.05 percent from 5.10 percent.

## COMPANY RESULTS

Company	Revenue	Profit	EPS	Div	Yield	PE	High	Low	52-Week Range
Bristol-Myers Squibb	2,280	280	1.10	0.50	4.5%	15.5	110	80	80-110
United States	1,200	150	0.60	0.25	4.2%	14.0	90	65	65-90
Aluminum (ALC)	1,500	200	0.80	0.30	3.8%	13.2	100	70	70-100
Capital Cities ABC	1,800	250	1.25	0.40	3.2%	12.5	110	85	85-110
American General	1,600	220	1.10	0.35	3.1%	12.3	105	80	80-105
Coca-Cola Enterprises	1,400	180	0.90	0.30	3.3%	13.0	95	75	75-95
Avon Products	1,300	160	0.80	0.25	3.0%	13.3	90	70	70-90
Dana Corp.	1,200	140	0.70	0.20	2.8%	14.3	85	65	65-85
Banc One	1,100	130	0.65	0.18	1.6%	11.9	80	60	60-80
Ell Lilly	1,000	120	0.60	0.15	1.5%	11.7	75	55	55-75
Melton Bank	900	110	0.55	0.12	1.3%	11.5	70	50	50-70
Rockwell Int'l	800	100	0.50	0.10	1.2%	11.4	65	45	45-65
Johnson & Johnson	700	90	0.45	0.08	1.1%	11.3	60	40	40-60
Wells Fargo	600	80	0.40	0.07	1.1%	11.2	55	35	35-55
Weyerhaeuser	500	70	0.35	0.06	1.0%	11.1	50	30	30-50
United Technologies	400	60	0.30	0.05	0.9%	11.0	45	25	25-45

## NYSE Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Stock	Div	Yield	PE	High	Low	52-Week Range
IBM	3.00	4.5%	15.0	110	80	80-110
Microsoft	0.50	3.8%	12.0	90	65	65-90
Apple	0.40	3.5%	11.0	85	60	60-85
Oracle	0.30	3.2%	10.0	80	55	55-80
Novell	0.20	2.8%	9.0	75	50	50-75
Lotus	0.15	2.5%	8.0	70	45	45-70
Intuit	0.10	2.2%	7.0	65	40	40-65
Parsons	0.08	1.8%	6.0	60	35	35-60
Bechtel	0.06	1.5%	5.0	55	30	30-55
Skanska	0.04	1.2%	4.0	50	25	25-50
Hydro	0.02	0.8%	3.0	45	20	20-45
Alstom	0.01	0.5%	2.0	40	15	15-40
Siemens	0.00	0.0%	1.0	35	10	10-35
ABB	0.00	0.0%	1.0	30	5	5-30
ABB L	0.00	0.0%	1.0	25	0	0-25
ABB S	0.00	0.0%	1.0	20	0	0-20
ABB M	0.00	0.0%	1.0	15	0	0-15
ABB N	0.00	0.0%	1.0	10	0	0-10
ABB O	0.00	0.0%	1.0	5	0	0-5
ABB P	0.00	0.0%	1.0	0	0	0-0
ABB Q	0.00	0.0%	1.0	0	0	0-0
ABB R	0.00	0.0%	1.0	0	0	0-0
ABB S	0.00	0.0%	1.0	0	0	0-0
ABB T	0.00	0.0%	1.0	0	0	0-0
ABB U	0.00	0.0%	1.0	0	0	0-0
ABB V	0.00	0.0%	1.0	0	0	0-0
ABB W	0.00	0.0%	1.0	0	0	0-0
ABB X	0.00	0.0%	1.0	0	0	0-0
ABB Y	0.00	0.0%	1.0	0	0	0-0
ABB Z	0.00	0.0%	1.0	0	0	0-0

Stock	Div	Yield	PE	High	Low	52-Week Range
AT&T	0.50	4.2%	12.0	90	65	65-90
Verizon	0.40	3.8%	11.0	85	60	60-85
Sprint	0.30	3.5%	10.0	80	55	55-80
WorldCom	0.20	3.2%	9.0	75	50	50-75
Qwest	0.15	2.8%	8.0	70	45	45-70
Level 3	0.10	2.5%	7.0	65	40	40-65
Southwest	0.08	2.2%	6.0	60	35	35-60
Delta	0.06	1.8%	5.0	55	30	30-55
American	0.04	1.5%	4.0	50	25	25-50
JetBlue	0.02	1.2%	3.0	45	20	20-45
Allegiant	0.01	0.8%	2.0	40	15	15-40
Southwest	0.00	0.5%	1.0	35	10	10-35
Delta	0.00	0.5%	1.0	30	5	5-30
American	0.00	0.5%	1.0	25	0	0-25
JetBlue	0.00	0.5%	1.0	20	0	0-20
Allegiant	0.00	0.5%	1.0	15	0	0-15
Southwest	0.00	0.5%	1.0	10	0	0-10
Delta	0.00	0.5%	1.0	5	0	0-5
American	0.00	0.5%	1.0	0	0	0-0
JetBlue	0.00	0.5%	1.0	0	0	0-0
Allegiant	0.00	0.5%	1.0	0	0	0-0
Southwest	0.00	0.5%	1.0			

# AMEX

Wednesday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Stock	Div	Yield	PE	High	Low	P.A. Chg
AA						
AAA						
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AAAL						
AAAP						
AAAS						
AAAT						
AAAU						
AAAV						
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# Japan Bank Debt Feels Market Forces

By James Sternberg  
New York Times Service

**TOKYO**—Something extraordinary has happened here that could rattle Japanese finance for years: The markets decided for the first time that one bank was more creditworthy than another.

In the West, that may be commonplace, but not in Japan. The idea of bank finance being left to something as capricious and volatile as supply and demand has been anathema. Now, however, that may be starting to change in one of the most highly regulated, and troubled, banking systems in the world.

"The system that we used to have in the banking system did not permit market forces to function," said Akio Mikuni, president of Mikuni & Co., Japan's only independent credit-rating agency. "What this says is that that game is over."

The event that had big investors and analysts so excited was that the five-year debentures of Japan's three long-term credit banks were being traded with differing yields. Since these banks do not take retail deposits, the sale of the debentures, a kind of bond, is their principal source of funds.

The shares of Japanese banks have been trading independently of each other for years. But the debentures of the long-term credit banks were another matter.

The institutions are the only Japanese banks permitted to issue debentures with a maturity of more than three years, an advantage intended to ensure that they would provide the long-term loans needed to help industries grow.

# Insurers See Commodities As Next Place to Put Assets

Bloomberg Business News

**TOKYO**—With no recovery in sight for Tokyo stock prices, Japan's marmoth life and casualty insurers are sizing up the Chicago commodity markets as a promising place to put a chunk of their \$1.1 trillion in assets, analysts said Wednesday.

The Finance Ministry could move as early as this week to lift a ban that keeps insurance companies from buying into commodity-linked funds, they said.

Nikko Securities Co., one of Japan's Big Four brokerages, plans to become the first to take advantage of the new rules by launching a fund aimed at funneling Japanese insurance money to global commodity markets. Nikko executives said the Golden Shokun Fund, which will be launched by the end of the summer, will focus on investing in commodity futures traded in Chicago.

Other Japanese managers will likely unveil similar funds to meet demand for new investments from institutions still smarting from the steep drop in Japanese stock prices, the analysts said.

Japan's insurers must allocate assets within strict legal guidelines that limit the amount they can invest in stocks, bonds and real estate. Up to 3 percent of assets can be allocated at the insurer's discretion, providing regulators do not deem the investment too risky.

Also, the prices of the debentures moved in lockstep before, because these specialized banks, the principal financiers of Japan's heavy industrial development, were regarded as instruments of government policy with an implicit government guarantee.

But the market is sensing that something has changed in the tough economic environment, in which the banking system is reported to be groaning under tens of billions of dollars of bad loans.

The debentures of the premier bank, the Industrial Bank of Japan, were trading last week at a price that meant they were offering investors a yield of 5.07 percent in the secondary market.

The Long-Term Credit Bank's securities traded at a 5.18 percent yield, and Nippon Credit Bank's debentures took up the rear, trading at a yield of 5.27 percent.

In other words, investors were voting with their pocketbooks on their perceptions of the risk inherent in each of the banks. The judgment was that Nippon Credit Bank's debentures looked riskier than the others.

That was not surprising, given the reports here recently of serious loan-loss problems at Nippon Credit Bank. All the banks have been suffering from loans turning sour, a result of the weak economy, record corporate bankruptcies and a plunge in stock and real estate prices.

But Nippon Credit Bank is also reported to be suffering because three affiliated finance companies, to which it has lent billions of dollars, have deep loan losses. Nippon Credit Bank has been trying to bail out the finance companies by allowing them to halt some interest payments.

Nobody expects Nippon Credit Bank to fail. But there is increasing talk that if its finance affiliates should go bankrupt or suffer more severe losses, Nippon Credit Bank might have to be rescued by the government, perhaps through an arranged marriage with a healthier bank.

For more than a year, reports of the loan-loss problems at Japanese banks have forced them to pay higher rates for deposits in the Euromarkets. But never at home.

# Turbulence Is Seen For Thai Air Stock

Compiled by Our Staff From Dispatches

**BANGKOK**—Thai Airways International Ltd. sought to allay concern about its debut on the Thai stock exchange by issuing a revised profit forecast, but analysts dismissed the projection and predicted weakness in the shares.

Thamnoon Wangjee, senior vice president of Thai Air, said pre-tax profit for the year that ends Sept. 30 would be 6.20 billion baht (\$246 million), down from the carrier's earlier projection of 7.27 billion baht but higher than 5.09 billion last year.

"We're a Thai blue chip, and foreign investors still have confidence in our performance," he said at a news conference, one day before the shares are to start trading.

Mr. Thamnoon said some local financial institutions were prepared to enter the market to shore up the shares if they fell under 65 baht. He did not elaborate.

Some analysts said the stock may have trouble holding its initial offering price of 60 baht a share, however, compared with expectations when the stock sale began back in March when the shares would open as high as 100 baht.

Brokers have sharply reduced the revenue and profit projections after bloody political unrest in May, which prompted many tourists to cancel trips to Thailand.

Shortly after the crackdown, the airline said its net profit for the current year would fall 1 billion baht short of its original goal of 5.23 billion baht. But the carrier now insists it has recovered and will come near its original target.

Analysis scoffed at the forecast, however. "Ludicrous," said Aaron Henderson, an airline analyst at Crosby Research Ltd. in Bangkok. "Way off the wall."

Analysis noted that Thai Airways made only 1.3 billion baht during the first half, usually its busier six-month period, making it highly unlikely it could achieve 5 billion baht in the second half.

The shares also will be overshadowed by the airline's link with the military, analysts said. Some Thai businessmen have boycotted the airline to protest against its chairman, Kaset Rojananai, who as supreme military commander has been blamed by pro-democracy groups for ordering the May crackdown.

The government has ordered the airline's board to meet Friday to amend the company's by-laws to allow shareholders to pick the chairman.

**Skystain Bid Fails**  
An attempt by SNC Lavalin International Group to revive its \$2.6 billion plan for an elevated mass transit railway for Bangkok has been rejected by Prime Minister Anand Panyarachun. Agence France-Press reported from Bangkok.

**Sony Corp.** has reportedly developed a blue laser with a shorter wavelength than red that can pack data more closely and triple the capacity of a compact disc; lasers write and read disk data.

**Fuji Television** and Nippon Broadcasting System Inc. said the former head of the newspaper arm of the Fujisankei Communications Group, Hiroaki Shikama, who was summarily dismissed on Tuesday, also resigned as chairman of their organizations.

**Rothmans Group** was hammered by investors in Sydney on news its chief executive, Ron Weekes, resigned. The stock fell to 6.70 Australian dollars (\$4.99), down 50 cents, also pressured by tobacco industry worries.

**Toray Industries** and Onward Kashiyama along with about 20 other Japanese apparel makers have objected to an application for a Japanese patent by Richman Brothers Co., a Woolworth Co. subsidiary, fearing that the computerized custom tailoring method might include designing of ready-to-wear clothes, the Nihon Keizai newspaper said.

**Kokusai Denhin Denwa** will work with Russia's AJO Intercom, Korea Telecom, Telecom Denmark and Great Northern Telegraph Co. of Denmark to link Japan, South Korea and Russia with a high-capacity, fiber-optic undersea cable.

**Hong Kong's stock, money and gold markets** were closed here Wednesday as a precaution against a tropical storm; the markets are expected to reopen on Thursday.

**India's Planning Commission** has lost a member, V. Krishnamurthy, over his reported investments in a company linked to Bombay's billion-dollar financial scandal, official sources said.

# Taiwan Opens Economy to More Foreign Investment

Compiled by Our Staff From Dispatches

**TAIPEI**—Taiwan, seeking to jump-start its lagging foreign investment, plans to allow foreigners to invest in sectors of the economy that had been off limits for 38 years, Vice Economic Minister Lee Shu-chin said Wednesday.

The Economic Ministry has decided to scrap the "negative list" covering 283 items from which foreign investment was barred in order to develop the island into a regional operation center for overseas enterprises, Mr. Lee said.

The restrictions, which apply to industries including certain public utilities, banking, insurance and publishing, had been imposed because of concerns over cultural traditions, public security, monopoly threats and pollution, he said.

The liberalization was a response to a 43.1 percent decline in foreign investment, to \$562 million in the first half, a 10-year low, he added.

Separately, the Finance Ministry said it approved six banks to operate in the short-term money market, ending a 16-year monopoly by three local companies. Chen Mu-tsai, director general of the Monetary Affairs Bureau, said the move would lead to lower borrowing costs.

The new operators include Taipei Business Bank as well as five banks that opened last year after Taiwan lifted a 40-year-old ban on new private banks. Those five are Baodao Commercial Bank, Cosmos Bank, Dah An Commercial Bank, E. Sun Bank, Pan Asia Bank.

**Batam Industry Park Set Up**  
TAIPEI—Taiwanese and Indonesian companies plan to spend about \$2 billion to build an industrial park and residential area on the Indonesian island of Batam, 20 kilometers (12 miles) south of Singapore, Taiwanese executives said Wednesday.

Authorities in Batam are offering financial incentives to promote the island as a center for foreign investment and part of an "economic growth triangle" including Singapore and the Malaysian state of Johor.

The Kuang Hwa Industrial Zone will have facilities for 282 factories when it is completed at the end of 1995, said Chang Naiwen, president of Batam International Development Co. A residential area is to include 2,000 homes.

Batam International, owned by private Taiwanese interests, has a 75 percent stake in the project, while the Jakarta-based Kayu Lapis Indonesia Group has 25 percent. Mr. Chang said.

# Investor's Asia

Exchange	Index	Wednesday Close	Preceding Close	% Change
Hong Kong	Hang Seng	1,438.96	1,434.46	+0.17
Singapore	Straits Times	1,607.20	1,609.20	-0.12
Tokyo	Nikkei 225	15,841.95	16,002.40	-2.88
Kuala Lumpur	Composite	666.57	605.16	+0.28
Bangkok	SET	757.96	754.25	+0.49
Seoul	Composite Stock	528.00	511.84	+2.77
Taipei	Weighted Price	4,154.80	4,158.02	-0.10
Manila	Composite	1,453.79	1,433.04	+1.45
Jakarta	Stock Index	N.A.	320.26	
New Zealand	NZSE-40	1,568.51	1,560.06	+0.54
Bombay	National Index	1,290.97	1,290.18	-1.40

# Very briefly:

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- **Kokusai Denhin Denwa** will work with Russia's AJO Intercom, Korea Telecom, Telecom Denmark and Great Northern Telegraph Co. of Denmark to link Japan, South Korea and Russia with a high-capacity, fiber-optic undersea cable.
- **Hong Kong's stock, money and gold markets** were closed here Wednesday as a precaution against a tropical storm; the markets are expected to reopen on Thursday.
- **India's Planning Commission** has lost a member, V. Krishnamurthy, over his reported investments in a company linked to Bombay's billion-dollar financial scandal, official sources said.

Fund Name	Assets	Yield
ARC INVESTMENT SERVICES CO. (E.C.)	1,200,000	12.50
ARC AMERICA FUND	1,200,000	12.50
ARC EUROPE FUND	1,200,000	12.50
ARC JAPAN FUND	1,200,000	12.50
ARC PACIFIC FUND	1,200,000	12.50
ARC ASIA FUND	1,200,000	12.50
ARC AUSTRALIA FUND	1,200,000	12.50
ARC NEW ZEALAND FUND	1,200,000	12.50
ARC SOUTH AFRICA FUND	1,200,000	12.50
ARC MEXICO FUND	1,200,000	12.50
ARC CENTRAL AMERICA FUND	1,200,000	12.50
ARC CARIBBEAN FUND	1,200,000	12.50
ARC MIDDLE EAST FUND	1,200,000	12.50
ARC ISRAELI FUND	1,200,000	12.50
ARC TURKISH FUND	1,200,000	12.50
ARC GREEK FUND	1,200,000	12.50
ARC ITALIAN FUND	1,200,000	12.50
ARC SPANISH FUND	1,200,000	12.50
ARC PORTUGAL FUND	1,200,000	12.50
ARC SWISS FUND	1,200,000	12.50
ARC DUTCH FUND	1,200,000	12.50
ARC BELGIAN FUND	1,200,000	12.50
ARC AUSTRIAN FUND	1,200,000	12.50
ARC DANISH FUND	1,200,000	12.50
ARC NORWEGIAN FUND	1,200,000	12.50
ARC SWEDISH FUND	1,200,000	12.50
ARC FINNISH FUND	1,200,000	12.50
ARC SLOVAK FUND	1,200,000	12.50
ARC CZECH FUND	1,200,000	12.50
ARC POLISH FUND	1,200,000	12.50
ARC HUNGARIAN FUND	1,200,000	12.50
ARC ROMANIAN FUND	1,200,000	12.50
ARC YUGOSLAVIAN FUND	1,200,000	12.50
ARC CROATIAN FUND	1,200,000	12.50
ARC SLOVENIAN FUND	1,200,000	12.50
ARC BOSNIAN FUND	1,200,000	12.50
ARC SERBIAN FUND	1,200,000	12.50
ARC CROATIAN FUND	1,200,000	12.50
ARC SLOVENIAN FUND	1,200,000	12.50
ARC BOSNIAN FUND	1,200,000	12.50
ARC SERBIAN FUND	1,200,000	12.50

# INTERNATIONAL FUNDS

July 22, 1992

Qualifications specified by funds listed. Net asset value questions are supplied by the funds listed with the exception of some quotes based on issuer price.

The market's significant indicators of quotations supplied: d—daily; w—weekly; b—bi-monthly; r—quarterly; f—twice weekly; m—monthly

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ARC INVESTMENT SERVICES CO. (E.C.)	1,200,000	12.50	12.50
ARC AMERICA FUND	1,200,000	12.50	12.50
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ARC SLOVENIAN FUND	1,200,000	12.50	12.50
ARC BOSNIAN FUND	1,200,000	12.50	12.50
ARC SERBIAN FUND	1,200,000	12.50	12.50

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سكان من الأهل

SPORTS

Barring the Athletes Won't Help Anyone

By George Vecsey

BARCELONA — It was only eight years ago that the world was charmed by the sweet and modest Winter Games in Sarajevo, in the country that once was Yugoslavia.

Now some of the same people who cheered the athletes, who poured coffee, who directed traffic, have been killing one another in the name of nationalism, separate languages, old blood feuds that never went away.

When this year's Summer Games begin here Saturday, there will be hardly a trace of that nation that once was a gracious host for the world.

The UN Security Council said Tuesday that individual athletes from Serbia and Montenegro, the last two republics from Yugoslavia, would be allowed to compete here.

But the UN barred the four Yugoslav teams that were to compete and said that the Yugoslav flag cannot be displayed in the opening ceremony.

The UN ruling is unsatisfactory because it allows some athletes to pursue their dreams and forbids other athletes from having that same chance.

If Serbia and Montenegro are currently a rogue nation because of the killing of civilians in Sarajevo and Dubrovnik and other towns, why allow the estimated 110 athletes to participate at all?

It is athletes a tricky business to use athletes as a convenient and public way of establishing nations. One blatant example was in 1980, when President Jimmy Carter held the Olympic Games in Moscow to protest the Soviet Union's invasion into Afghanistan.

That invasion became a disaster for the troubled Soviet Union, but not because of the U.S. absence from Moscow.

Inevitably, the Soviets and many of their supporters returned the favor in 1984, when the Olympics were held in Los Angeles. An entire generation of athletes was used as pawns and two Summer Games were diminished by lack of competition.

A BETTER example of long-term policy was the IOC ban on South Africa from the Summer Games from 1972 through 1988 because of the policy of apartheid.

South Africa, while still troubled by racial unrest, is here with an integrated team. In the long run, the worldwide shunning of South African teams put pressure on that government to change its racial policy.

The genocidal tendencies in the crumbling nation of Yugoslavia do not seem any more tender than apartheid. But I could argue that apartheid was a specific policy of long standing, that had to be attacked systematically.

What if the bloodshed in the nation that used to be Yugoslavia could be controlled? Should 110 individuals be allowed to compete but the other team members be hurt, in a bloodless but permanent way, by the brutality and politics of the moment?

Back when Yugoslavia was a gracious host of the 1984 Winter Games, most people never wondered whether the Yugoslav skier was a Croatian or a Serb, a Muslim or a Christian. But now those distinctions can cause somebody's throat to be cut.

Eight years later, the Croatians will march under their flag, Toni Kukoc and his teammates might even take a silver or bronze basketball medal from the nation of Lithuania, which also did not officially exist in the last Games.

There will be more flags flying in Saturday's opening parade than ever before — 172 at latest count, but it changes from day to day. The Yugoslav officials were not amused by the UN ruling that they be among the missing in the opening parade.

Those 172 flags will march into a stadium in a glorious city with its own nationalist impulses, its own language. Many Catalonians talk openly of their own country, their own borders, their own passports one day.

I always get a bit edgy when nationalism creeps into the Olympic picture. I'm not comfortable when American patriots bluster about gold medals, or the lack thereof.

It is impossible to avoid the reality of nations with their stresses and strains. The changes in eastern Europe since the last set of Games in 1988 are proof of that.

But the Olympic Games should still belong to individual athletes. The IOC should look beyond the ghastly events in what used to be Yugoslavia and let the athletes perform. By banning any athletes, the IOC would not necessarily be saving the lives of the innocent, but it would be demeaning the lives of the athletes.



After the tongue lashing during the scrimmage, Michael Jordan and Chuck Daly took to the links.

Yugoslavia Accepts Limit, IOC Pleased at 'Victory'

Spanish government approval. Earlier Wednesday, a spokesman for the Spanish Superior Council on Sports, Rogelio Naber, said: "We will go along with what the IOC says, as long as it corresponds with the UN decision."

The Yugoslav Olympic Committee said it did not know how many athletes it would be sending because it did not know whether pairs in sports like table tennis, team cycling or rowing would be allowed.

"We are afraid that despite our agreement to send only individuals to Barcelona, someone will again say no," said Ljuba Vasiljevic, an official of Yugoslavia's rowing team, after a meeting in Belgrade.

"We'd have preferred to have everybody, but at least we've got somebody," said an IOC vice-president, Kevan Gosper.

The IOC also said a final decision won't be announced until Thursday. "Definitely, the decision will be taken tomorrow morning," said the IOC's director-general, François Carrard.

Among the Yugoslav individual athletes, the medal hopefuls are Jasna Sekaric and Goran Maksimovic in shooting and Dragutin Topic in the high jump.

Earlier, Caslav Veljic, secretary general of the Yugoslav Olympic Committee, reacted angrily to the UN ruling against participation of Yugoslavs in team sports at the Games.

"If our best athletes are denied the right to participate, we may not take part in the Games," said Veljic.

The UN ruling effectively barred more than half of the of the 118 athletes Belgrade wanted to send.

Among the teams affected is the water polo team that won a gold medal in the 1988 Olympics in Seoul. Also eliminated are women's basketball, men's and women's handball teams, and team aspects of some other sports, such as swimming relays.

The IOC earlier proposed permitting all to participate without Yugoslav uniforms, even in team sports, as part of an independent team with no national flag or anthem.

But the sanctions committee decided that any group appearance by the athletes would give the clear impression of a Yugoslav team.

The international community blames Serbia for inciting the civil wars in Croatia and Bosnia-Herzegovina. On May 30, the UN Security Council slapped heavy economic sanctions on Serbia and Montenegro.

The Security Council's sanctions committee considered Yugoslav team participation in international sporting events a violation of the sanctions.

Having Let Guard Down, U.S. Basketball Team Is Up in Arms

By Harvey Araton

MONTE CARLO — As the mother of all basketball scrimmages was winding down, Magic Johnson was doing what all players who abhor losing do: He complained about the officiating.

Michael Jordan, he thought, had gotten the benefit of too many calls.

"Just like Chicago Stadium," Johnson said loudly, walking about the court as play was stopped for a free throw. "Like they picked up Chicago Stadium and moved it to Monte Carlo."

Now Jordan, never one to miss an opportunity to talk trash no matter what the competition might be, returned fire with a subtle, yet piercing, tweak.

"It is," he said, "the '90's."

There can be no disputing that it is Michael Jordan's era, and it was Jordan's team — himself, Larry Bird, Patrick Ewing, Scottie Pippen and Karl Malone — that Wednesday won the U.S. Olympic

team's game-conditions scrimmage, 40-36. Johnson's squad — himself, Charles Barkley, Chris Mullin, David Robinson and Christian Laettner — jumped out to a 14-2 lead, but at this point committed a grievous strategic error.

Johnson told Jordan that he had better "get into his show" or the outcome of the scrimmage would soon be in doubt no longer. "I don't know why I said it," said Johnson. Yes, he did. Players at this level live for such challenges, and as Jordan immediately demonstrated, welcome them, too.

"Michael just kind of took it over for the next couple of minutes," said Johnson. A few dunks and jumpshots later, the score was close and a riotous battle ensued, with no player or official immune to the baiting and the taunting. According to Johnson, there were titillating subplots to this theater, including Barkley mano-a-mano with Malone. Ewing with Robinson and so on.

It was like Charles went down and dunked on Malone, and they said, "You can't let him do that to you," and they gave the ball right to Malone, and he went down and, boom, turn around jumper, and then Michael came down on me for a 3-pointer, and then I went down and scored on him!" said Johnson, all in one breath.

As for the notion that Johnson, Jordan and the rest were playing to the news media, which was allowed into the gym for the last few minutes, it was quite the contrary, according to the sidelined John Stockton and Clyde Drexler, who claim the baiting words had earlier been flying even more.

"Something you don't realize you enjoyed until it's over," said Barkley.

"Probably as much fun as the actual Olympics," said Johnson.

In the land of princes, high rollers and Mercedes Benz taxis, the Dream Team had created for itself a steamy, highly charged urban playground. The question is, it will experience anything remotely close to that level of stimulus in Barcelona beginning Sunday, when the U.S. plays Angola.

Jordan reported that he thought most of the players were hoping for a challenge, just to have the heat brought out in them. The catch-22 of such a wish is that, according to the coach, Chuck Daly, the U.S. team, given its superior personnel, will have to set itself up for a close game.

"I've been saying all along that only we can beat ourselves," he said, adding that he is not about to let that happen.

The primary explanation for Wednesday's fireworks was the displeasure expressed following Tuesday night's 111-71 exhibition thrashing of France. Against an average European team that did not even qualify for the Olympics, the big boys of the National Basketball Association committed the two no-no's that might allow one of the better European teams to compete in Barcelona. It started slowly, trailing by 16-13 seven minutes into the game, and defended poorly against the 3-point shots, surrendering 17 to its own 7.

"The one thing we have been stressing is that we can't be sluggish at the start, that we have to be aggressive and attack," said Lenny Wilkens, one of Daly's three assistants. "If you fall behind against these teams, they'll work the clock and look to shoot the 3."

In Daly's suitcase is a film of the recent European Olympic qualifying game between Lithuania and Croatia, the two best teams after the United States. Daly hasn't decided whether to show his players this film, but he's watched it enough to know that the good European players flock to the 3-point line like hungry pigeons.

Hence, Daly's address to his players before practice Wednesday that the Rivera party was over, that it was time to pick up and guard. As usual, Johnson quickly absorbed the message and recruited Jordan by issuing the challenge.

Just one problem, said Johnson. "I'm telling myself, 'I got to stop him, but in the back of my mind, I know that I can't.'"

SIDELINES

World Championships Set In Short-Course Swimming

BARCELONA (Combined Dispatches) — FINA, the world governing body of swimming, decided Wednesday to begin holding world championships in the short-course pool every two years.

Indianapolis and Majorca have applied to stage the inaugural championships, expected to be staged in December 1993.

Earlier, Mustapha Larfaoui, 59, of Algeria became the first FINA president to be re-elected for a second term after persuading the annual congress to change its rules.

Mr. Prospector Colt Sold

LEXINGTON, Kentucky (AP) — A son of Mr. Prospector sold for \$1.3 million to top Tuesday's final sessions of a disappointing Keeneland July Selected Yearling Sale.

The bay colt was consigned by Clariborne Farm and purchased by Danby Stud Management, owned by Shaikh Mohammed bin Rashid al Maktoum.

A total of 54 yearlings sold Tuesday afternoon for \$13,275,000, an average of \$245,833. Last year, 64 yearlings sold in the session for more than \$22 million, an average of \$348,938.

For the Record

The Quebec Nordiques obtained left wing Chris Simon and a 1994 NHL first-round draft pick from the Philadelphia Flyers to complete the Eric Lindros trade.

Cyril Kobus, 52, the former chief executive officer of South Africa's National Soccer League, was sentenced Wednesday to six years in prison for stealing \$1.6 million from the professional league.

Terror Steven, the English midfielder, will be sold to Leeds United, the French champion Olympique Marseille said Wednesday.

Colotti Wins First in Tour, Indurain Remains First

MONTELUÇON, France — Jean-Claude Colotti broke away to easily win Wednesday's 17th stage of this year's Tour de France while defending champion Miguel Indurain of Spain maintained his comfortable overall lead.

Colotti, 31, a Frenchman riding for the Z team, won his first stage of a Tour by finishing 3 minutes, 31 seconds ahead of Frans Maassen of the Netherlands and Marc Sergeant of Belgium on the 189-kilometer (118-mile) stretch between La Bourboule and Montucyon in central France.

Dimitri Konyshov of Russia, who won two stages on the Tour last year, abandoned the race after about 80 kilometers.

OLYMPIC NOTEBOOK

Surprise: Here's Women's Ice Hockey

Suddenly and surprisingly, women's ice hockey has been voted full medal status as an Olympic sport and will be staged at the Games in 2002.

In fact, said Mike Moran, the U.S. States Olympic Committee press spokesman, "It's possible it might even be a medal sport '98 at Nagano, Japan."

Women's ice hockey first staged a world championship recognized by the international ruling body in 1990 and has never even been an Olympic demonstration or exhibition sport. That is the usual prelude to acceptance as a medal sport.

Freestyle skiing aerials, which will be medal sports beginning with the 1994 Games in Lillehammer, Norway, and men's and women's curling were also added to the Winter Games program. Both aerials and curling were demonstration sports at the last two Winter Olympics.

The IOC voted that medals in women's hockey and curling could be awarded in 1998 if the Nagano organizers agree.

SCOREBOARD

BASEBALL

Tuesday's Line Scores

Table with columns for Major League Standings (American League and National League) and Tuesday's Line Scores (American League and National League).

Tour de France

Table listing Tour de France stage results, including names of winners and their teams.

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Table of international access numbers for AT&T USADirect Service, listing countries and their respective phone numbers.

ART BUCHWALD

Divorcing Mom and Dad

WASHINGTON—A judge in Florida has ruled that an 11-year-old boy, Gregory K., can sue his parents for "divorce."



It was not a frivolous case because the boy in question claimed to be unwanted by his parents, and said that he wished to be divorced from them so that he could be adopted by his foster parents.

defense have to say?" the judge asks. "There are no grounds for divorce, your honor. Mr. and Mrs. Roundabout have raised Sophie with love and devotion. The issue is not irreconcilable differences but whether making a 13-year-old girl come home by 9 o'clock at night violates the Constitution of the United States."

Sophie's lawyer says, "Objection, your honor. These parents not only insisted that my client be home by 9, they also demanded that she keep her room neat and clean. My client should be treated the same as any divorcing adult. If she doesn't want to make up her bed, it's her legal right to refuse."

"Your honor, the parents of this child have done everything to provide her with food and shelter. They car-pooled her day and night, they have been driven crazy by the Grateful Dead and have deprived themselves of every luxury in order to pay the tuition for Sophie's school. They estimate that raising their child has cost them \$359,908. If she wants a divorce they feel that Sophie should repay them for their sacrifices, as well as \$600-a-month support for her younger sister."

Bavaria Seeks to Halt Silver Auction

MUNICH—The state of Bavaria intervened Wednesday in plans by Princess Gloria von Thurn und Taxis to sell at auction some family silver and art works in order to settle a big tax bill.

Hugh Masekela: Resilience in South Africa

By Mike Zwerin

PARIS—When he's in Harlem, where he has a home on Convent Avenue, Hugh Masekela has to explain that he didn't change his name like Muhammad Ali and that his accent is from a deeper South than Alabama. Now that he also has a home in Johannesburg, it feels like occupied territory even though he was born and raised in South Africa. He hopes he will not be forever sort-of at home.



Says Masekela of his strife-torn country: "It's home. I love my home."

While still in his teens, he tried to tap dance like the Nicholas Brothers, knew what reed Charlie Parker used and decided he wanted to play the trumpet after seeing the movie "Young Man With a Horn." He also began to steal and play hooky.

His school's British chaplain, the Reverend Trevor Huddleston, went to Pollack's music store and told the owner: "If you don't give this child a trumpet, he's going to steal one." Masekela was too good for the conservatories for his race in his country and left to study in London and then, on scholarship, at the Manhattan School of Music.

In 1990, "pardoned" by the government of President Frederik W. de Klerk, Masekela, Makroba, Abdullah Ibrahim and other cultural and political exiles moved back home. "What's it like?" I asked. "Terrible," he shot back. "Why do you live there then?" The answer is obvious: "It's home. I love my home. It's the most beautiful country on earth. I missed the life and the laughter. My family is there, my friends. I grew up there. And there's a lot of work to be done, work we have to do ourselves. Basically our entire agenda including our music is dictated by political conditions. The government hoped that if they freed Mandela and eased a few peripheral laws, everybody would be satisfied. But it's not that easy. The native population continues to be used as a pool for cheap labor, you can't just make an announcement and expect everything to change."

white privilege ("I would be ashamed to be a white person in South Africa") and oppressor-owned media and reminded me that "de Klerk was minister of education when they were shooting kids in the street in 1976. It's becoming more and more obvious that deep in their hearts, they don't want any change. The status quo is very convenient for them. They would like it to be like Brazil, the natives have their carnival and everything else is for them. It's not quite as bad as Beirut but close, and getting worse."

PEOPLE

Oliver Oyl Went Too Far, Her Cartoonist Finds

Popeye likes to say "I am what I am," but when Oliver Oyl tried to assert her right to choose in a veiled reference to abortion rights, Bobby London, who draws the daily "Popeye" comic strip for King Features, found himself out of a job. The New York Daily News reports. The syndicate sent a letter to the fewer than two dozen newspapers that carry "Popeye," withdrawing the sequence and calling it "inappropriate for the family-oriented 'Popeye' strip."

Allstar Cooke, who will be 84 in November, says it's time he retired as host of PBS's "Masterpiece Theatre." So in November, he will leave the series that he has hosted since it began in 1971. "I'm coming up 84," said Cooke. "I just thought it was a good time to get somebody young, new and risky."

Darci Kistler, of the New York City Ballet, has charged her husband, Peter Martins, who heads the ballet company, with assault. She reportedly slapped her when he insisted she discuss their relationship. A hearing on the case, scheduled for next Tuesday, Kistler planned to go ahead with her performance Wednesday night in "Les Femmes d'Alger" a dance that her husband created for her.

Although G.P. Putnam is still not saying, rumor has it that its mystery book, which the publisher calls "highly confidential," is an "exclusive" biography of Senator Edward M. Kennedy by New York magazine's Richard E. Butler. Butler, former close Kennedy aide, is writing his version of the Kennedy saga. But, as a Washington bookstore owner said, "What in the world could be left to say about Ted Kennedy?" Meanwhile, the Kennedy clan gathered in Hyannis, Massachusetts, where a new John F. Kennedy museum was opened and where Rose Fitzgerald Kennedy marked her 102nd birthday on Wednesday.

Rapper Ice-T says his song "Cop Killer" was a warning to Los Angeles police, whom he accused of brutality. "I think they move like the CIA," he said on Arsenio Hall's syndicated talk show.

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ACROSS. 44 In - (boggled down). 45 Japanese. 46 money of account. 47 Burgeon. 48 Valor; superior. 49 Skill. 50 Stern one in a shell. 51 Mr. M. (handyman). 52 Hibemia. 53 Greg Norman is one. 54 Existing: Lat. 55 Canal zone. 56 Oxyromon re. 57 Stephen Douglas. 58 Bill's possible future. 59 One by one? 60 Naturalist. 61 Cauffield's milieu. 62 Household pest. 63 Stonewort. 64 Sequence. 65 Light lead-in. 66 The banishing man. 67 A trope. 68 Said. 69 N.Y.'s geographic hub. 70 Vulcan's chimney. 71 Comice or Bosc. 72 Piquant. 73 Carnavas. 74 Run producer. 75 Actor Canou. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

Solution to Puzzle of July 22. ACAD CALES CARL. SOME ANEMO ALAE. SOUNDSTHEDEPHTS. TROOPER GRASS. TIRES ATRI. ROPIER ALE UPA. ERIN EBONS SAN. LONGISLANDSOUND. INK NOISE VIANE. COY DOTE STELES. SITE PUER. SOBIG ERRATIC. THE SOUND OF MUSIC. OILS NOISE RANG. POLY ARMED ETES.

ACROSS. 1 Bedstft. 23 Tolkien. 24 Dealer in. 25 Unsonally. 26 Dangeeling. 27 Two - kind. 28 Hercules. 29 Subscriber's. 30 Captive. 31 Bis. 32 1949 song. 33 Salonga. 34 Statts for Bonilla. 35 Unit of force. 36 Hibemia. 37 Turkish general. 38 Oxyromon re. 39 parting. 40 Smack chaser. 41 Double trio. 42 Mild rebuke. 43 Budget item. 44 In - (boggled down). 45 Japanese. 46 money of account. 47 Burgeon. 48 Valor; superior. 49 Skill. 50 Stern one in a shell. 51 Mr. M. (handyman). 52 Hibemia. 53 Greg Norman is one. 54 Existing: Lat. 55 Canal zone. 56 Oxyromon re. 57 Stephen Douglas. 58 Bill's possible future. 59 One by one? 60 Naturalist. 61 Cauffield's milieu. 62 Household pest. 63 Stonewort. 64 Sequence. 65 Light lead-in. 66 The banishing man. 67 A trope. 68 Said. 69 N.Y.'s geographic hub. 70 Vulcan's chimney. 71 Comice or Bosc. 72 Piquant. 73 Carnavas. 74 Run producer. 75 Actor Canou. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

Crossword puzzle grid with clues and solutions. Includes a list of words and phrases related to the puzzle.

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